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Canada. Coasting Trade,
/// Royal Commission on

ROYAL COMMISSION ON COASTING TRADE

[Hearings]

VOL 9

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INDEX TO VOLUME 9

QUEBEC CITY

Mayor Wilfrid Hamel (Quebec City)	2803
SUBMISSION OF THE QUEBEC CHAMBER OF COMMERCE	2811
Mr. Yves Poisson	2811
Professor Marc Turcotte	2831
Yves Poisson	2840
Professor Marc Turcotte	2873
SUBMISSION OF GEO. T. DAVIE & SONS LTD.	2883
Mr. Roger Letourneau, Q. C.	2883
Mr. Delagrave	2897
Mr. Paquet	2903
SUBMISSION OF DAVIE SHIPBUILDING LIMITED	2917
Mr. R. Lowery	2917
Mr. Black	2943
SUBMISSION OF SAINT LAURENT SHIP OWNER'S ASSOCIATION INC.	2974
Mr. Andre Verge	2974
SUBMISSION OF THE MARINE SCHOOL OF RIMOUSKI	
Captain Jacques Gendron	3015



INDEX TO VOLUME 9 (CONTINUED)

THREE RIVERS

Mayor Laurent Paradis (Three Rivers)	3026
Mr. Marcel Ouelet	3027
Mr. Claude Bisson	3049
Mayor Andre Julien (Cap du Madeleine)	3055
Mr. C. D. Jenty	3063

INDEX TO EXHIBITS CONTAINED IN VOLUME 9

<u>No.</u>	<u>Description</u>	<u>Page</u>
71	Supplementary brief of the Quebec Chamber of Commerce	2811
72	List of men employed in yard of Geo. T. Davie & Sons Ltd., Lauzon, Quebec, dated Mar. 31, 1955.	2916
73	Letter from American Bureau of Shipping dated August 18, 1955. (To be supplied)	2925
74	Letter from Lloyd's Register of Shipping dated Sept. 6, 1955. (To be supplied)	2925

N O T E : An unofficial translation into
English of those parts of this
volume which are in French will
be furnished later.

ROYAL COMMISSION ON COASTING TRADE

Hearings held at Quebec City, Quebec,
commencing at 10 a.m. on the 27th day
of September, 1955.

PRESENT:

THE CHAIRMAN, The Honourable Mr. Justice
W.F. Spence.

Mr. W.N. Wickwire, Q.C.)	} Commissioners
Mr. M. Bélanger, C.A.)	
Mr. D.W. Mundell, Q.C.)	} Commission Counsel
Mr. Paul Gérin-Lajoie)	
Mr. H. Kemp	- Economic Adviser to the Commission
----Mr. P. Cimon	- Assistant Secretary.

THE CHAIRMAN: I understand, gentlemen, we
are honoured by having the Mayor of the City present.
We would be pleased to hear from His Worship.

M. WILFRID HAMEL (maire de Québec): Monsieur
le président, messieurs les Commissaires: La ville
de Québec est heureuse de vous voir venir ici à
Québec, tenir une séance et entendre les points de vue
de nos amis, de nos concitoyens.

Je tiens à vous souhaiter la plus cordiale
bienvenue et à vous féliciter de votre nomination sur
le comité important que vous composez. Je sais que
vous êtes imbus de l'esprit de service. Vous voulez
rendre service à votre pays, vous voulez rendre
service à la cause difficile, un peu compliquée peut-
être, qui vous a été soumise, avec l'espoir que vous

en tirerez des conclusions et des rapports qui seront au bénéfice non seulement de ceux qui sont directement intéressés dans la question du cabotage, mais qui seront au bénéfice de toute la population.

Mr. Chairman and gentlemen: I am very glad to be with you this morning and to welcome you on behalf of the City of Quebec. You are going to study very serious problems, problems which have existed most likely for many years but which are more important now since the St. Lawrence Seaway project has been enacted.

I wish to congratulate you for your appointment on this very important committee. I know you are going to do your best not only to serve those directly concerned with this question of Coasting Trade, but also to serve the whole community.

Thank you very much and good luck.

THE CHAIRMAN: Your Worship, may I thank you and say how happy we are to be in the ancient city. We have fully enjoyed our visit to date, due to the hospitality of some of your prominent citizens. We have also been able to learn quite a bit. We realize that we have a serious task ahead of us and all we can do is to assure you we shall expend our very best efforts in an attempt to assist the government in finding a solution to what is a most difficult problem.

M. BELANGER: Monsieur le maire, au nom de mes collègues, et au moyen de la langue française, il me fait plaisir de vous transmettre nos remerciements pour votre accueil très chaleureux dans la ville de Québec.

Je puis vous assurer que mes collègues

avaient bien hâte de revenir à Québec. Ils y étaient déjà venus, à maintes occasions. Ils avaient hâte, non seulement de revoir la vieille cité de Québec et de goûter, si je puis m'exprimer ainsi, l'amabilité proverbiale de ses citoyens, mais surtout d'entendre vos problèmes.

N'allez pas vous imaginer, monsieur le maire, que la ville de Québec est la seule ville au pays qui ait des problèmes à présenter devant la Commission; il n'y a pas que Québec qui pose des problèmes; nous en avons entendu un peu partout, et soyez assuré que nous avons bien hâte d'entendre vos remarques et soyez assuré qu'elles seront entendues par des oreilles très sympathiques, et si la semence que vous allez jeter aujourd'hui/^{est jetée} sur le rocher de Québec, n'allez pas croire qu'elle restera là et qu'elle ne portera pas fruit. Elle tombera dans une terre des plus sympathique, et soyez assuré que nous apporterons la plus grande attention à la solution des problèmes que vous nous soumettez.

Encore une fois, monsieur le maire, je désire vous remercier de votre hospitalité dans la ville de Québec.

Je remercie officiellement le comité du port de la Chambre de Commerce qui a bien voulu nous rendre la journée d'hier utile et agréable.

Je désire aussi remercier les chantiers maritimes qui nous ont fait visiter leurs établissements et enfin, je veux remercier, au nom de la Commission, le docteur Gobeil qui a bien voulu nous prêter, comme il le disait tout à l'heure, sa plus belle salle d'audience.

MR. GERIN-LAJOIE: Mr. Chairman, we have a tentative list of groups of persons wishing to appear before your Commission to-day and to-morrow in Quebec City. We have in mind particularly to call first The Chamber of Commerce of the City of Quebec, the chairman of which would like to say a word of welcome to you, but perhaps before we proceed with this, we should call to find out who is in this room and whom every person represents.

THE CHAIRMAN: Yes.

MR. GERIN-LAJOIE: With your permission, Mr. Chairman, I shall do this.

Alors, chaque personne dans la salle est priée d'indiquer son nom et le groupe qu'elle représente et si elle a l'intention de soumettre des vues, verbales ou autres, à l'occasion des séances de la Commission dans la ville de Québec.

M. LOUS PRATTE: Je représente la Chambre de Commerce de Québec et nous avons l'intention d'élaborer un peu certains points qui n'ont pas été suffisamment développés dans le mémoire qui a déjà été soumis à la Commission.

M. ANDRE VERGE: Je représente l'Association des propriétaires de navires du Saint-Laurent Incorporée, et j'ai l'intention de plaider quelques remarques devant la Commission.

MR. WRIGHT: J.A. Wright. I represent the Canadian Pacific Railway.

M. ARTHUR SIMARD: Je représente Marine Industries.

M. JACQUES GENDRON: Je représente l'Ecole de Marine de Rimouski. Nous avons l'intention d'exprimer notre opinion devant la Commission.

M. YVES POISSON: Chambre de Commerce de Québec.

M. GEORGES DEMERS: Chambre de Commerce de Québec.

M. JEAN-MARIE MARTIN: Chambre de Commerce de Québec.

MR. GERIN-LAJOIE: Mr. Chairman, I understand Mr. Roger Létourneau, Q.C., will be representing to-day before your Commission George T. Davie of Lauzon, and I also understand that Mr. Black will be making a presentation to the Commission on behalf of the Davie Ship Building Limited.

MR. LOWERY: Mr. Lowery, Davie Ship Building Limited. I would like to speak to the Commission about bringing vessels across the Atlantic.

MR. GERIN-LAJOIE: Mr. Chairman, with your permission, I would propose this order for the presentation to be submitted to your Commission. La Chambre de Commerce de Québec, George T. Davie, Davie Ship Building Limited, l'Association des propriétaires de navires du Saint-Laurent qui sera entendue à la fin de l'après-midi ou demain, il est difficile de le dire à ce moment-ci; l'Ecole de Marine de Rimouski. Le capitaine Roger Degagné a également soumis un mémoire à votre Commission, mais nous croyons comprendre, selon la correspondance qui a été échangée entre le capitaine Degagné et le secrétaire de votre Commission, que le capitaine Degagné ne fera pas de représentation verbale devant la Commission.

Alors, avec votre permission, monsieur le président, j'inviterai le président de la Chambre de Commerce de Québec, M. Alphonse Proteau, à vous adresser la parole.

M. ALPHONSE PROTEAU: Monsieur le président, messieurs les Commissaires: l'atmosphère des réunions m'a toujours fortement impressionné.

Il est vrai qu'auparavant je n'avais pas eu l'avantage et le plaisir de passer une journée entière avec les membres de la Commission, et durant ma journée d'hier, j'ai eu le plaisir de me rendre compte que les membres de la Commission sont tellement charmants et tellement sympathiques que la tâche qui m'est dévolue ce matin me paraît plus facile. Le soleil s'est fait beau pour vous recevoir à Québec; il est vrai que le président me faisait part, hier, que vous ameniez ce beau temps avec vous partout où vous alliez. Ceci augure bien: vous êtes porteurs de beau temps et aussi porteurs de bonnes nouvelles.

Mr. Chairman, Commissioners: It is with great pleasure that the oldest French city in America welcomes you to-day. You are certainly not without knowledge that the Port of Quebec was for many years the most important harbor in Eastern Canada. It retained this privilege until the channel dug between Quebec and Montreal made it possible for oceanics to sail up the river as far as the metropolis.

By a curious turn of events, the canalization of the St. Lawrence River, which will make it possible for the same oceanics to reach the head of the Great Lakes, leads us to believe now that these barriers which held at the present Great Lakes ships at Kingston or Prescott, having disappeared, our Port will experience a new rise in activities because it is situated in an ideal location for the storage and trans-shipment of cereals and other export products.

As you will find at the time of our appearance this very morning before your Commission, our Board of

Trade considers the coastal shipping as a service essential to the prosperity of our country and also feels that this service should be protected against any loophole which may hurt our national economy.

It is quite possible that some of our recommendations may hurt certain individual interests, but the Quebec Board of Trade is proud to state that in the study of this problem, in which it is not directly interested, that they made it possible to present general views which it feels are really built upon the common welfare of the nation.

It is exceptional, gentlemen, that the common welfare which we want to safeguard at all costs, coincides with all individual interests. When we recommend to the Commission to reserve the coastal shipping to vessels built and registered in Canada, we are aware that such a measure will require certain sacrifices from certain individual interests.

Despite that, we believe that we serve these same interests in presenting our recommendations, since the individual interests cannot be sufficiently protected unless it is subordinated to that of the majority. To be sure, this truth is not always easy to grasp in all its scope, particularly when administrative problems take up most of our time and energy. It is nevertheless fundamental to such a point that any policy not built upon this principle would become disastrous.

We wish to state without any further delaying, but with pride, that Canada is now a sovereign nation. The sacrifices we have endured to safeguard our civilization, particularly during the last World War, made us deserve the gratitude which every nation of the Western world heartily wishes us.

The time has now come for us to realize the role we play in the world and to face our problems with a freedom of mind such that we may solve these problems to our advantage.

We understand very well that the position and responsibility of the Commission is a difficult one and that no matter what recommendations it will make to the Government, everybody will not be satisfied. However, we are confident in the probity of the members who form this Commission and we know that its first preoccupation will be to safeguard the common welfare of the Canadian Nation.

Before closing these remarks, may I be permitted to wish you a happy sojourn in the old city of Champlain, as well as a fruitful hearing during the course of the forthcoming two days. Our contribution to your work is certainly very small, but we insist in doing our share because we feel it is our duty as Canadian citizens, a duty which goes beyond the more or less narrow limits of our local problems and pre-occupations.

I thank you.

THE CHAIRMAN: Thank you, Mr. Proteau. I think I should say now that we find most valuable the submission of such Boards as that which you head. They combine a practical outlook and very expert research, and we have found almost invariably such Boards to take a broad view as distinct from the individual or sectional view point, and that therefore their recommendations are much more valuable to us.

We might proceed with the submissions now. It is B-89, is it not, Mr. Lajoie?

MR. GERIN-LAJOIE: That is right, Mr. Chairman.

MR. LOUIS PRATTE: Mr. Chairman, with your permission, we have the intention of presenting our brief in French. However, our witnesses will be glad to answer any questions in English or in French.

Monsieur le président: La Chambre de Commerce de Québec n'a pas l'intention de répéter, ce matin, toute l'argumentation qui est contenue dans le mémoire qui a été soumis à votre Commission; elle veut seulement essayer de dégager, sortir certains renseignements, et aussi essayer de compléter certains arguments, expliquer certains points qui, après réflexion, ont été jugés insuffisamment développés dans le mémoire.

M. GERIN-LAJOIE: Monsieur le président, pour les fins du dossier, vous me permettrez peut-être de signaler que le secrétaire de la Commission et vous-mêmes, messieurs les Commissaires, avez reçu de la Chambre de Commerce de Québec un mémoire supplémentaire qu'il serait peut-être opportun de numéroté à ce stade-ci comme une des pièces au dossier de votre Commission.

EXHIBIT No. 71: Mémoire supplémentaire de la
Chambre de Commerce de Québec.

REPRESENTATIONS DE LA CHAMBRE DE COMMERCE
DE QUEBEC

Me LOUIS PRATTE, procureur de la Chambre de Commerce.

Le premier témoin de la Chambre de Commerce de Québec sera M. Yves Poisson, son secrétaire.

M. YVES POISSON

J'aurais d'abord une légère correction à signaler à la page 6 de l'exhibit no. 71; dans le texte français, c'est la page 6, au troisième paragraphe, il faudrait lire "55,741,000" au lieu de "45,741,000" boisseaux de blé.

Me PRATTE: D Monsieur Poisson, la recommandation principale faite par la Chambre de Commerce de Québec à la Commission a été que le cabotage soit réservé aux navires portant, battant pavillon canadien, construits au Canada. Pouvez-vous énoncer, succinctement, les raisons qui incitent la Chambre de Commerce à formuler cette recommandation?

R Comme nous le disons dans le mémoire, le Canada est un pays souverain et c'est un devoir pour tout pays souverain de protéger son économie par des moyens de transport adéquats et libres de l'ingérence de toute nation étrangère. La Suisse, qui n'a aucun débouché sur la mer, nous donne un exemple des plus typique dans ce domaine.

Nous croyons aussi qu'en cas d'urgence nationale, la marine Canadienne doit être prête à servir les causes nationales. Il est vrai que l'accord de l'Atlantique-Nord prévoit la mise en commun des navires de haute mer de toutes les nations contractantes, mais il semble que nos besoins de cale ne peuvent demeurer marqués sur un accord insatisfait. Si le Canada n'a pas lui-même une armature maritime capable de satisfaire à ses besoins, et si cette vérité nous semble évidente du point de vue d'une marine de haute mer, nous croyons qu'elle l'est encore plus, plus évidente lorsqu'il s'agit d'une flotte de cabotage, parce que si nous prenons pour acquis que la marine de haute mer canadienne ne peut se développer sensiblement ou rapidement durant plusieurs années, il est autant plus important d'avoir une marine de cabotage qui pourrait éventuellement remplacer, au moins partiellement, une marine de haute mer en cas d'urgence nationale.

De plus, il serait impossible au Gouvernement

Yves Poisson

de nolisier des navires appartenant à des pays étrangers dans une même situation d'urgence.

De plus, s'il survenait des grèves qui nous priveraient d'au moins une partie de nos moyens de transport, il serait encore impossible au gouvernement canadien d'intervenir dans le règlement de ces grèves, si les marins ainsi en grève relevaient de la souveraineté d'une nation étrangère.

D Ainsi, il vous semble essentiel, en temps de paix autant qu'en temps de guerre, d'urgence nationale, que le Canada soit maître de ses moyens de transport?

R Exactement.

D Et est-ce que cela n'est pas également essentiel si l'on considère l'activité de nos chantiers maritimes?

R En effet, il est impossible de considérer la marine, soit la marine marchande, de haute mer, soit la marine de guerre, soit la marine de cabotage, indépendamment des chantiers de construction maritime, puisque les navires doivent être précisément, dans les trois cas, construits par nos chantiers maritimes, pour les mêmes raisons de souveraineté nationale, en cas d'urgence, ou pour des raisons purement économiques, et ces mêmes raisons s'appliquent aux chantiers de construction navale.

D Dans le passé, le Canada a été capable de faire face aux périodes d'urgence, périodes de guerre? Les chantiers maritimes, dont l'activité était ralentie durant les périodes de paix, ont été capables de l'accélérer dans les périodes de guerre. Croyez-vous que c'est une objection à l'argument que vous tentez de faire valoir?

R Nous avons réussi dans une certaine mesure, oui, par des moyens très coûteux, mais nous

constatons que la technique de construction navale se complique davantage, à mesure que l'industrie évolue, et qu'il n'est pas sûr que nous pourrions réussir à l'avenir ce que nous avons réussi dans le passé. La formation de la main-d'oeuvre sera d'autant plus longue et coûteuse que la technique deviendra plus compliquée, et ce serait imposer aux chantiers de construction navale un fardeau additionnel que de leur demander de refaire, de réformer cette main-d'oeuvre dans un espace limité de temps au moment où, justement, cette technique évoluant, va rendre la chose plus difficile et plus coûteuse.

D Est-ce qu'on ne peut pas également considérer que le maintien d'une flotte de cabotage purement canadienne contribuerait au maintien, au Canada, d'une marine entraînée, qui est nécessaire en temps de guerre, si l'on veut avoir des marins pour mettre sur les navires qu'on construit ou qu'on achète?

R Exactement. Si nous abandonnons une partie de notre transport, une partie qui peut devenir de plus en plus importance à mesure que la situation permettra à la concurrence de s'accroître, un nombre important de nos marins canadiens vont se trouver sans emploi. Les marins formés devront se chercher du travail ailleurs, et le même problème que je signalais pour la formation de la main-d'oeuvre dans les chantiers de construction navale s'appliquera.

De plus, le nombre de marins étant plus restreint, les besoins accrus du temps de guerre pourront être beaucoup plus différents, ce qui fait que si l'on a maintenant des effectifs plus considérables, et il me semble aussi important d'établir des traditions dans la marine canadienne, et je crois qu'un des seuls

Yves Poisson

moyens d'établir de telles traditions, c'est de créer une situation d'ensemble assez prospère pour que les jeunes Canadiens soit intéressés à faire une carrière dans la marine canadienne. Actuellement, la situation est décourageante à ce point de vue là, de sorte qu'on se demande justement dans quelle mesure les jeunes vont tenter une carrière dans ce domaine-là.

D Alors, si je vous comprends bien, Monsieur Poisson, la recommandation de la Chambre de Commerce est d'abord faite dans le but de réduire la concurrence et, en réduisant la concurrence, de promouvoir la sécurité nationale tant en temps de paix qu'en temps de guerre, mais n'est-il pas vrai que cette concurrence qui existe actuellement n'existe qu'à l'état négligeable?

R En effet, les dernières statistiques démontrent qu'il n'y a environ que 7.5% du cabotage qui est fait actuellement par des navires étrangers, soit à peu près deux millions de tonnes....

D Je m'excuse, mais est-ce que vous ne dites pas 5.5% dans votre mémoire?

R De fait, les chiffres cités dans le mémoire sont les chiffres qui s'appliquent pour l'année 1953, alors que le chiffre de 7.5% que je viens de mentionner s'applique à l'année 1954. Cela nous permet d'ailleurs de constater une augmentation substantielle de cette concurrence, une tendance qui nous permet de croire que lorsque la canalisation du Saint-Laurent sera terminée, cette concurrence qui se fait surtout sentir actuellement dans la région du Saint-Laurent et de l'Atlantique, se fera sentir après l'ouverture du nouveau canal jusqu'à la tête des Grands Lacs.

D'après les chiffres que j'ai vus dans un mémoire qui a été soumis à la Commission, la concurrence

dans les Grands Lacs est jusqu'à présent négligeable, et je crois que j'ai vu le chiffre 1.6%, je ne me souviens pas très bien dans quel mémoire. La situation qui existe dans le Saint-Laurent pourra donc, éventuellement, exister dans les Grands Lacs, et l'ouverture du canal permettra en même temps aux navires étrangers, surtout aux navires britanniques, puisque les autres font une concurrence à peu près négligeable, d'augmenter cette concurrence non seulement dans la région des Grands Lacs, mais dans le Saint-Laurent, parce que les échanges qui s'établissent entre les deux régions vont modifier sensiblement la situation d'ensemble dans le transport maritime.

D En réduisant ainsi la concurrence, ne croyez-vous pas qu'on va infailliblement provoquer une augmentation sensible des taux du transport?

R Il n'y a aucun doute que la réduction de la concurrence aura pour effet d'augmenter, dans une certaine mesure pour moi impossible à apprécier, le coût du transport maritime. Cependant, il est permis de croire, d'autre part, que précisément l'ouverture du canal, après la canalisation du Saint-Laurent, permettra de compenser largement, sinon pleinement, l'augmentation qui pourrait se faire sentir à la suite de restrictions.

D A votre avis, quels sont les facteurs principaux qui pourraient concourir à une augmentation des taux du transport?

R Les deux principaux facteurs seraient évidemment le coût de la main-d'oeuvre qui, dans le cas de la marine canadienne, est à peu près trois fois supérieur à celui de la marine britannique. Le deuxième facteur important, évidemment, c'est la

différence qui existe dans le coût de construction des navires au Canada et le même coût en Angleterre ou dans d'autres pays connus, comme l'Italie, l'Allemagne et le Japon, en particulier.

D Dois-je comprendre que suivant vous la réduction du coût de transport qui pourrait résulter de la canalisation du Saint-Laurent pourrait contrebalancer l'augmentation de coût résultant des deux facteurs que vous venez de mentionner? Est-ce que cela serait suffisant?

R Je ne suis pas en mesure de répondre d'une façon précise à cette question-là, mais on peut espérer - à la page 6 de l'exhibit no. 71, nous voyons une étude, c'est-à-dire une citation d'une étude faite aux Etats-Unis de la réduction possible du coût de transport par suite de l'ouverture du nouveau canal, et l'on compare, par exemple, et c'est ce qui m'empêche de vous donner un chiffre définitif, on compare deux moyens de transport différents: les chemins de fer et la navigation, et on calcule que par chemin de fer, le transport de la tête des Grands Lacs à l'Atlantique coûte une moyenne de \$13.00 la tonne pour marchandises, alors qu'après la canalisation du Saint-Laurent, les navires pourront transporter la même quantité de marchandises pour \$1.70.

D S'il arrivait qu'en fait une augmentation du coût de transport résultait de l'adoption de la recommandation faite par la Chambre de Commerce, y a-t-il des palliatifs qui pourraient relever les effets d'une telle situation?

R En principe, la Chambre de Commerce n'est pas favorable à une politique d'octroi. Nous croyons que si l'on devait en arriver là, il faudrait

avoir épuisé les autres moyens de compenser cette augmentation, et je m'explique.

Il y a une chose qui semble facile, du moins à première vue, à réaliser, et cela serait l'établissement d'un tarif préférentiel pour les bateaux canadiens qui utiliseront le nouveau canal lorsqu'elle la canalisation du Saint-Laurent sera terminée, en comparaison avec les bateaux étrangers qui circuleront dans nos eaux. Cette mesure ne peut pas être considérée comme une entrave au commerce, parce qu'elle ne s'appliquerait pas aux navires de haute mer, et on l'admettrait à peu près à l'unanimité dans tous les pays, et il semble que le cabotage est une affaire de régie interne.

D Est-ce qu'il n'est pas possible que l'augmentation de coût qui est peut-être susceptible de résulter de l'adoption des recommandations de la Chambre de Commerce affecte une zone plus particulièrement qu'une autre dans le pays?

R Il n'y a aucun doute là-dessus, et la zone qui serait certainement la plus affectée serait Terre-Neuve, qui dépend complètement du transport maritime pour ses importations comme pour ses exportations et, justement, si l'on jugeait la chose opportune, on pourrait procéder de deux façons, en ce qui concerne Terre-Neuve, ou vous pourriez étendre cela jusqu'aux Provinces Maritimes.

Je vais faire une comparaison, avec le tarif Duncan pour les chemins de fer. Le principe a été établi par le Gouvernement, que les Provinces Maritimes étant considérées dans un état d'infériorité, du point de vue économique, le Gouvernement consent à payer vingt (20) pour cent du transport ferroviaire

Yves Poisson

par octrois versés aux compagnies de transport pour toutes les marchandises expédiées ou reçues dans une zone qui part justement de l'autre côté de Québec, ici, à Lévis, et qui s'étend vers l'est.

Le même principe serait certainement une solution qui permettrait à cette région du pays de compenser ses désavantages géographiques, et si l'on devait en arriver à une politique d'octrois, je crois justement qu'à mon sens il serait préférable d'appliquer un octroi basé sur le pourcentage du taux de transport, plutôt qu'un octroi versé directement aux compagnies de construction navale ou aux armateurs qui commanderaient des bateaux canadiens, commanderaient des bateaux aux chantiers canadiens.

Cela permettrait, cela laisserait plus de liberté à l'entreprise particulière, comme c'est le cas des chemins de fer en ce qui concerne le tarif Duncan. En somme, cela ne serait pas la camisole de force qu'on craint d'imposer ou de se voir imposer par une politique d'octrois telle qui, évidemment, constituerait toujours une main-mise de l'Etat sur l'entreprise privée, ce qui, vous le savez, est contraire aux principes de la Chambre de Commerce, qui préconise la liberté d'entreprise.

D Est-ce qu'on peut dire que le régime actuel est fondé sur le fait qu'on désire obtenir les plus bas taux de transport et, en conséquence, on fait en sorte que nous ne puissions bénéficier des taux inférieurs que peut nous offrir la marine britannique?

R Bien, à ce point de vue-là, on peut

Yves Poisson

répondre ceci: les taux offerts par la marine britannique sont inférieurs aux nôtres à cause des raisons expliquées dans le mémoire et ici tout à l'heure.

Mais si c'est ce qu'on veut, réduire les taux de transport maritime au Canada, je pense qu'on s'y prend mal, parce qu'il y a des nations qui pourraient transporter notre marchandise à des coûts bien inférieurs encore à ceux de la marine britannique se voit obligée d'exiger, à cause de sa situation économique, et on peut citer deux, trois pays, en particulier l'Italie, l'Allemagne et surtout le Japon.

Si le but est d'ouvrir notre navigation intérieure à des bateaux étrangers, je ne vois pas pourquoi on ne l'ouvrirait pas également au Japon, à l'Allemagne et à l'Italie et aux autres nations qui pourront venir faire la concurrence aux autres navires étrangers.

D A votre avis, quels effets principaux la canalisation du Saint-Laurent aura-t-elle sur le cabotage?

R Le principal effet que j'ai signalé en passant, tout à l'heure, serait justement de permettre aux navires, en ce qui concerne la concurrence, de permettre aux navires étrangers de pousser leur concurrence jusqu'à la tête des Grands Lacs. Le deuxième effet immédiat, prévisible, serait aussi de permettre aux navires des Grands Lacs de descendre jusque dans le Saint-Laurent et aux ports de l'Atlantique sans difficulté, ce qui va changer sensiblement la situation actuelle.

D En ce qui concerne la région de Québec, croyez-vous que la canalisation va avoir des effets particuliers?

Yves Poisson

R Il n'y a aucun doute que le fait pour les navires des Grands Lacs de descendre jusqu'à Sept Îles, par exemple, chercher du minerai de fer, pour le transporter vers Cleveland, Ohio, ou une autre région, va modifier sensiblement la situation du port de Québec. Jusqu'à présent, les navires des Grands Lacs, qui n'avaient pas affaire à descendre plus bas que Montréal, par exemple, d'une façon générale, pour transporter les céréales, devront passer forcément devant chez nous pour aller chercher le minerai de fer, et la répugnance des compagnies de transport maritime à parcourir une distance aller et retour de trois cent vingt (320) milles pour descendre des céréales jusqu'à Québec va automatiquement disparaître, ce qui nous place immédiatement dans une situation meilleure, sur un pied d'égalité avec le port de Montréal et les autres ports intermédiaires du Saint-Laurent.

D Croyez-vous que certaines modifications devraient être apportées au port de Québec, en particulier, et aux deux systèmes de transport en général, pour que nous puissions bénéficier pleinement des avantages que la canalisation du Saint-Laurent peut apporter?

R Actuellement, le port de Québec n'est pas en mesure de recevoir les grands bateaux des Lacs, qui ont six cents (600) pieds de longueur et qui peuvent transporter trois-quarts de million de boisseaux de blé; ces bateaux sont incapables d'entrer dans le bassin intérieur, où les tours marines de déchargement sont situées, et de toute nécessité, il faudra

Yves Poisson

prendre les moyens nécessaires pour accomoder ces bateaux aussi rapidement qu'ailleurs, parce que c'est assez important que nous soyons capables de satisfaire ces besoins de la même façon qu'on le fait ailleurs.

Justement, à ce sujet-là, nous recommandons la construction de nouveaux élévateurs à grain, céréales, dans la partie située en bordure de l'estuaire de la rivière Saint-Charles, et aussi dans la partie du port située à l'est des quais actuels de l'Anse-au-Foulon, et voici, à ce sujet, notre point de vue, pour que l'on profite au maximum de la réduction de tarif, réduction que nous espérons voir se réaliser par suite de la canalisation du Saint-Laurent.

Maintenant, cependant que toute la structure du transport des céréales doit être modifiée, actuellement l'entreposage des céréales se fait à Fort William, et pour les fins de la démonstration actuelle, les silos d'entreposage et de transbordement qui existent dans la partie est des Grands Lacs sont d'une capacité, comme on le dit dans le mémoire, d'un peu plus de cinquante-cinq (55) millions de boisseaux.

Pour réduire le coût de transport, il faudrait éviter ce transbordement. Alors, il y aurait lieu de songer à établir des silos d'entreposage dans la région du Saint-Laurent, et comme Québec est le dernier port important vers l'est, de l'estuaire du Saint-Laurent, nous croyons que Québec est idéalement située pour ces fins, et nous estimons, sans faire des calculs fondés sur des théories savantes, que quinze (15)

Yves Poisson

millions de boisseaux de capacité d'entreposage serait pour Québec un minimum, et profitant des circonstances qui, nous semble-t-il, doivent nous favoriser, nous songeons à des besoins particuliers du port de Québec, qui ne sont pas satisfaits à l'heure actuelle, et qu'il deviendrait plus facile que jamais de satisfaire.

C'est ce qui explique que nous suggérons dans le supplément, Exhibit numéro 71, que l'on songe à construire une partie des nouveaux silos d'entreposage à l'Anse-au-Foulon et l'autre partie dans le bassin Louise.

Il va de soi que tout profane que je suis dans le génie de l'organisation d'un port, que je puis dire qu'il me semble que la partie du vieux port actuel ne peut pas recevoir des élévateurs d'une telle capacité sans que l'on soit forcé de faire des aménagements considérables et très coûteux. D'ailleurs la division en deux parties égales, à peu près, disons, des élévateurs que nous voudrions voir construire, n'occasionnerait pas une augmentation de coût, puisqu'il semble, d'après les opinions des spécialistes que nous connaissons, que des silos constituent des entités en elles-mêmes, complètes...

D Est-ce que la construction de nouveaux silos à Québec serait rendue nécessaire uniquement si l'on fait de Québec un centre d'entreposage?

R De toute façon, il faudrait construire de nouveaux silos.

D Pour quelles raisons?

R Pour accommoder les vaisseaux des

Yves Poisson

Grands Lacs. Nos silos actuels sont construits depuis 1925; ils sont d'un modèle qui est fort éloigné de ce que nous voyons, déjà, actuellement, dans les Grands Lacs. Notre capacité, la capacité de déchargement de nos silos n'est actuellement que de dix mille (10,000) à quinze mille (15,000) boisseaux à l'heure, alors qu'il faudrait, pour décharger ces grands bateaux des Lacs, que cette capacité soit augmentée à au moins trente-six mille (36,000) boisseaux à l'heure, comme cela existe ailleurs.

Maintenant, il se pose un problème tout à fait local que je crois devoir signaler à l'attention de la Commission. Pour construire des nouveaux silos dans la partie du vieux port, il faudrait nécessairement utiliser l'espace actuellement occupé par le vieil édifice de l'Immigration.

Ce vieil édifice de l'Immigration, malgré qu'il soit depuis longtemps condamné par les autorités du ministère des Travaux publics, est encore utilisé à l'heure actuelle, mais il existe un projet en voie de lente réalisation: celui de construire un nouvel édifice de l'Immigration près des hangars du Foulon, qui reçoivent les passagers. Ce qu'il faudrait, ce serait de hâter la réalisation de cette nouvelle construction, afin de libérer cette partie du vieux port, en démolissant le vieil édifice de l'Immigration, où les nouveaux silos devront être construits.

D A votre avis, est-ce qu'il est important que ces nouveaux aménagements que vous réclamez pour le port de Québec soient construits rapidement, ou est-ce une chose qui peut attendre?

Yves Poisson

R Il est essentiel, si nous voulons être à la hauteur de la situation, que tous ces aménagements, ou du moins la principale partie de ces aménagements, soient terminés en même temps que la canalisation du Saint-Laurent. Il faut que nous soyons en mesure de répondre aux besoins de ceux qui vont se présenter sans aucun délai.

D Vous ne voulez pas que les navigateurs prennent des mauvaises habitudes?

R Justement.

D Dans les chapitres de l'exhibit numéro 71, vous traitez spécialement de la situation faite à la petite navigation?

R En effet.

D Tout d'abord, qu'entendez-vous par petite navigation?

R La petite navigation, c'est celle qui est faite par les petits navires d'un tonnage, disons, variant d'à peu près de deux cents (200) à quatre cent cinquante (450) tonnes, mais on peut monter encore un peu, peut-être que...disons six cents (600) tonnes.

Ces petits navires appartiennent, en grande majorité, à l'Association des propriétaires de navires du Saint-Laurent, qui aura, je crois, un mémoire à présenter ici.

D En quoi la situation qui est faite à la petite navigation est-elle spéciale à Québec?

R Bien, je vais répondre en tournant la question.

Yves Poisson

La situation n'est pas spéciale à Québec, mais elle est spéciale dans la zone du canal Lachine, dans le port de Montréal, et c'est justement cette situation spéciale qui crée une concurrence impossible à soutenir par le port de Québec.

D Quels sont les faits qui rendent cette concurrence impossible à soutenir pour le port de Québec?

R Le port de Québec est une entité unique, si je pourrais dire, qui est entièrement administrée par le Conseil des ports nationaux. Donc, tous les règlements qui s'appliquent dans les ports sous la juridiction du Conseil des ports nationaux s'appliquent.

Dans le cas de Montréal, ce qu'on appelle le grand port de Montréal voit aussi appliquer chez lui les mêmes règlements, mais par contre, juste en dehors de la limite de la juridiction du Conseil des ports nationaux, au pied du canal Lachine, il y a une zone où le Conseil des ports nationaux n'a rien à dire, puisque c'est administré par le ministère des Transports, le service des canaux, et à cet endroit-là, les tarifs ne sont pas les mêmes, ils sont inférieurs à tout point de vue.

Aussi, le Conseil des ports nationaux....par exemple, à la page 3 de l'exhibit numéro 71, je cite: "Les droits de terre-plein (top wharfage) en vigueur dans le port de Québec sont ceux du conseil des Ports Nationaux, soit 25¢ la tonne de marchandise, plus 10%. Les mêmes droits dans la zone du Canal Lachine du port de Montréal sont de 8¢ la tonne, plus 10%".

Yves Poisson

En ce qui concerne les droits de port, ils sont de $\frac{1}{2}$ ¢ par tonneau pour chaque huit (8) heures de navigation, d'accostage, ou fraction de huit (8) heures dans les ports administrés par le Conseil des ports nationaux. Donc, un navire de quatre cents (400) tonnes, et ils sont inexistantes - je dois ajouter que dans la zone du canal Lachine, le règlement prévoit que le navire peut rester deux (2) jours sans frais; même, en pratique, il peut rester trois (3), quatre (4), cinq (5) jours sans qu'on exige le paiement de ce droit de port. Alors, un navire de quatre cents (400) tonnes qui passerait deux (2) jours là-bas ne coûterait rien, alors qu'il coûterait douze (12) dollars à Québec.

Pour la main-d'oeuvre, c'est la même chose.

D Voulez-vous dire que la main-d'oeuvre est plus dispendieuse à Québec qu'elle l'est dans la région de Montréal?

R Pas d'une façon générale, mais dans la zone du canal Lachine, oui, parce qu'ici, c'est le tarif de la main-d'oeuvre qui s'applique dans le Conseil des ports nationaux, en général, alors que là-bas, il y a des syndicats différents qui travaillent dans la zone du canal Lachine, à \$1.43 de l'heure, alors qu'ici, cela coûte \$1.48 de l'heure pour la navigation intérieure et côtière.

D Est-ce que la situation de la petite navigation à Québec n'est pas encore appauvrie par cette perte dans le tarif? Cette question de tarif?

R

Yves Poisson

R En effet, la question de tarif est très importante, parce qu'on constate que les tarifs sont les mêmes pour le transport de la marchandise de Montréal ou de Québec vers l'est, et la structure tarifaire est fondée sur les tarifs de la compagnie Clarke Steamship. J'en ai ici des exemplaires qui ne m'appartiennent pas, et que je ne peux pas soumettre comme exhibits; par conséquent, ils sont ici et l'on peut vérifier; les tarifs de la petite navigation ne sont pas des tarifs sanctionnés par la Commission des transports, comme ceux de Clarke Steamship, mais les compagnies intéressées se basent sur ces mêmes tarifs, moins une diminution du taux général.

D En conséquence, quelle est la recommandation que formule la Chambre de Commerce à l'égard de la petite navigation?

R La recommandation est formulée aux pages 4 et 5 de l'exhibit numéro 71. Cela serait ou établir une zone dans le port de Québec où la petite navigation pourrait bénéficier des mêmes avantages, ou encore établir un tarif spécial pour les petits navires de six cents (600) tonnes ou moins de jauge. Les deux mesures seraient peut-être nécessaires, parce que en ce qui concerne la location de terrains, par exemple, je n'ai pas élaboré ce point-là dans mon témoignage, mais il a son importance, le terrain est loué là-bas à des taux très, très avantageux, moins d'un sou le pied de surface par année.

D Au début de votre témoignage, vous nous disiez que la création d'une marine de cabotage purement

Yves Poisson

canadienne, à votre avis, contribuerait à la sécurité nationale, particulièrement en ce qui concerne l'assurance d'une activité assez continue à nos chantiers maritimes?

R Oui.

D Et vous nous avez dit que cela était essentiel à la sécurité nationale du pays, particulièrement en temps de guerre. Est-ce qu'on ne peut pas également envisager que les fluctuations dans l'activité des chantiers maritimes ont un effet sur l'économie de la région de Québec?

R Un effet direct sur l'économie de Québec. Vous voyez qu'à la page 10 de l'exhibit numéro 71, nous donnons quelques chiffres sur les fluctuations de la main-d'oeuvre.

Durant la guerre, au moment où les chantiers de construction maritime étaient employés à leur capacité, peut-être pas maximum mais potentielle, mais maximum en effet, il y avait sept mille cinq cents (7,500) personnes employées, plus mille cinq cents (1,500) ou deux mille (2,000) aux anciens chantiers Morton qui n'existent plus, ce qui fait au moins neuf mille (9,000) personnes, alors qu'en 1949, les mêmes chantiers n'avaient plus à leur service que six cent quarante (640) personnes.

Après la guerre, la main-d'oeuvre maximum s'est chiffrée, en 1953, à environ quatre mille (4,000) personnes. La moyenne actuelle est d'environ deux mille cent (2,100) personnes.

Des fluctuations aussi importantes dans la main-d'oeuvre constituent un véritable danger pour la

Yves Poisson

structure de l'économie locale. Si nous considérons que le salaire moyen - sur ce point-là, je ne veux pas m'étendre beaucoup parce qu'il y a d'autres personnes qui vont probablement traiter de la question - si l'on accepte que la différence peut être de quinze (15) millions de dollars de revenus, c'est énorme. Cela veut dire que c'est la troisième industrie de la ville de Québec qui est susceptible de fluctuer à ce point-là, après le tourisme et après le port lui-même, qui représentent un revenu estimé à environ vingt-cinq (25) ou trente (30) millions de dollars par année.

J'aurais cependant un point à développer, qui n'est pas contenu dans le mémoire, en rapport avec le transport du minerai de fer des Grands Lacs, de Sept Iles aux Grands Lacs.

Nous songeons, nous aussi, à la nécessité d'une protection de réciprocité avec les Etats-Unis, pour que ce transport soit effectué par des navires canadiens et des navires américains exclusivement. D'ailleurs, je crois que ce serait tout à fait conforme à la politique depuis longtemps établie des Etats-Unis, et je crois que cela serait aussi très important pour le Canada de voir à ce qu'une partie importante de ce minerai-là soit transportée par des bateaux canadiens, et que le transport ne soit pas effectué exclusivement par des bateaux américains. Il n'y a aucun autre moyen de réaliser une protection qu'un accord réciproque avec les Etats-Unis.

Je pense que cela complète pas mal ce que j'avais à dire.

M. BELANGER: Merci beaucoup, Monsieur Poisson. Monsieur Lajoie, je crois que nous allons prendre un repos d'une dizaine de minutes, après quoi vous pourrez poser des questions à M. Poisson.

---La séance est suspendue à 11.17 a.m. et reprend à 11.35 a.m.

M. PRATTE: Le deuxième témoin de la Chambre de Commerce est M. Marc Turcotte, économiste.

M. MARC TURCOTTE

Me LOUIS PRATTE: D. Monsieur Turcotte, quelle situation occupez-vous actuellement?

R Je suis professeur à la faculté de commerce de l'université Laval.

D Quelles études spéciales avez-vous faites dans le domaine économique?

R J'ai étudié à la faculté des sciences sociales de l'Université Laval et de London School of Economics de Londres; j'ai aussi fait des études à l'université de Milan, en Italie.

D Au cours du témoignage qu'il a rendu tout à l'heure, Monsieur Poisson nous a dit qu'il considérait que le maintien d'une marine purement canadienne était essentielle à la sécurité nationale, et il nous a laissé entendre que sous ce terme de sécurité nationale, il ne comprenait pas seulement la sécurité du pays en temps de guerre, mais également la sécurité économique du pays. Est-ce que vous partagez cette opinion-là?

R Très certainement. Par sécurité économique, j'entends d'une part l'assurance que nous ayons

Marc Turcotte

toujours des moyens de transport pour assurer le déplacement des marchandises à l'intérieur du Canada, et possiblement aussi à l'extérieur du Canada, étant donné les distances énormes qu'il y a à franchir entre les différents centres de ravitaillement canadiens, et étant donné aussi le fait que nous possédons des voies maritimes extrêmement, très uniques dans le monde, et aussi à cause du fait de l'importance de notre commerce.

Le Canada est un pays dont presque le tiers, ou du moins vingt-sept (27) ou vingt-huit (28) pour cent du revenu national vient du commerce extérieur, ce qui implique un transport continuuel de marchandises, et je crois qu'étant donné l'importance dans notre vie nationale, et par conséquent, dans la prospérité du pays et dans l'évolution de notre commerce extérieur, et aussi étant donné les distances que doivent franchir les marchandises à l'intérieur du pays, pour être apportées aux lieux de ravitaillement, il serait important d'avoir au moins une très forte proportion de ces marchandises, quelles qu'elles soient, transportées dans les navires canadiens, où le gouvernement canadien a continuellement, du moins, un certain droit et une certaine autorité.

D Mais est-ce que vous jugez que si nous n'avons pas de marine purement canadienne, nous n'aurons pas alors d'assurance d'un certain effectif de moyens de transport?

R Il me semble que dans la situation actuelle, il y a un équipement national et étranger qui puisse satisfaire la plupart de nos besoins de

Marc Turcotte

E R R A T U M

A la suite d'une erreur dans la
pagination, la page numéro 2833
a été omise.

Marc Turcotte

transport; je dis bien la plupart, dans la situation actuelle, n'est-ce pas, mais si on présume une variation dans la structure des coûts d'opération et dans la structure des prix à l'échelle mondiale, étant donné qu'il faut prévoir une variation des prix à l'échelle mondiale, étant donné qu'une partie de notre transport est faite par des navires étrangers, alors advenant une variation de prix qui nous soit défavorable, on peut présumer qu'une marine étrangère puisse trouver plus profitable d'aller faire son transport ailleurs, ce qui voudrait dire que nous serions laissés sans ces moyens de transport et que nous serions, durant une assez longue période, privés de moyens de transport adéquat.

D Tout à l'heure, M. Poisson nous indiquait également que si nous avions une marine de cabotage purement canadienne, cela aurait pour effet d'assurer une certaine continuité à l'activité de nos chantiers maritimes et que cela aurait une influence très saine et très souhaitable sur l'économie régionale de Québec. Est-ce que vous partagez aussi cette opinion?

R C'est très exact. La région de Québec est une région économique fixe, comparativement à d'autres régions.

D Pourquoi dites-vous que l'économie de la région de Québec est fixe?

R Voici. Son développement industriel n'a pas suivi la révolution industrielle dans une corrélation assez forte, n'est-ce pas, parce que nous

Marc Turcotte

étions privés de certaines des matières premières qui ont fait la révolution industrielle et fait la prospérité de certaines régions.

Si nous comparons par exemple le développement de villes comme Hamilton avec celui de Québec, je crois que nous pouvons constater, dans une certaine mesure du moins, que la différence du développement dans les deux villes, dans les deux régions, provient, dans une large mesure, de la proximité de Hamilton du centre sidérurgique, tandis qu'à Québec, notre structure s'est développée d'une façon tout à fait différente, parce que nous manquions de cette matière première, dans un rayon économique, si vous voulez, et c'est ce qui veut dire que notre économie s'est développée d'une façon un peu machinale et d'une façon un peu accidentelle, si vous le voulez, ce qui fait que nous avons ici des industries considérables qui ne travaillent que dans des périodes d'urgence.

Bous avons des chantiers maritimes extrêmement bien aménagés qui, à l'heure actuelle, travaillent, je crois, à environ vingt (20) ou vingt-cinq (25) pour cent de leur capacité, et étant donné l'importance de ces industries-là dans la région de Québec, leur grosseur, et étant donné la structure économique de la région, une telle industrie, ou plutôt étant donné le fait qu'une telle industrie puisse avoir une telle incidence dans le rayon du chômage qui se produit dans la construction maritime à l'heure actuelle, ceci est très important pour Québec et affecte tous les secteurs de l'économie de la région.

Marc Turcotte

D Est-ce que vous pourriez préciser un peu l'incidence économique des fluctuations dans l'activité de nos chantiers maritimes?

R Peut-être pourrais-je citer quelques chiffres à cet effet-là? Evidemment, ce sont des chiffres estimatifs, et j'ai les données de la dernière heure à ce sujet-là. Nous avions, durant la guerre, ici, une main-d'oeuvre, je crois, d'environ dix mille (10,000) personnes, et peut-être un petit plus, affectées à la construction navale, dans les chantiers maritimes de la région. A l'heure actuelle, suivant les derniers renseignements que j'ai eus et qui datent déjà de quelque temps, il y a deux mille (2,000) personnes tout au plus qui travaillent dans nos chantiers maritimes, ce qui veut dire que c'est une baisse de quatre-vingts (80) pour cent dans la main-d'oeuvre, et ce qui veut dire aussi qu'au moment où cette baisse-là se produit, qu'elle soit immédiate, subite ou graduelle, le chômage augmente à peu près dans les mêmes proportions. Etant donné la structure de notre économie, ces gens-là sont immédiatement assimilés dans le régime de notre économie, ce qui veut dire que si nous essayons d'estimer les salaires que ces anciens ouvriers de nos chantiers maritimes perdent, la région de Québec perd environ quinze (15) millions de dollars de salaires, et cette baisse immédiate de salaires n'est pas sans affecter l'économie interne d'une région.

D Tout à l'heure, M. Poisson indiquait que le fait que nos chantiers maritimes soient obligés, en temps de guerre, de former rapidement une main-

Marc Turcotte

d'oeuvre, était contraire à l'intérêt de la sécurité nationale. Est-ce que cette obligation dans laquelle se trouveraient nos chantiers maritimes, advenant l'état de guerre, n'est pas également contraire à ce que l'on pourrait appeler l'intérêt économique de nos chantiers maritimes?

R Je crois que c'est également exact, et aussi qu'il y va non seulement de l'intérêt économique de nos chantiers maritimes, mais aussi de l'intérêt économique des clients de ces chantiers maritimes, qu'ils soient l'Etat, le gouvernement ou des sociétés privées, et la baisse que je citais tout à l'heure dans l'emploi des chantiers maritimes de la région de Québec, explique certainement ce besoin, n'est-ce pas, que la main-d'oeuvre qu'on devra récupérer pour faire face à toute expansion dans la construction navale sera une main-d'oeuvre inexpérimentée. Même si l'on reprend les anciens ouvriers, ils auront perdu le pas, ils ne seront pas prêts à faire des évolutions très techniques, il faudra les ré-éduquer, ce qui augmente nécessairement le coût, et en augmentant le coût, on augmente aussi le prix de vente, le coût de la dépréciation, enfin toute la structure économique.

D Mais si dans le but de solidifier l'économie régionale on veut restreindre la navigation aux navires fabriqués au Canada, dans le but de promouvoir l'activité de nos chantiers maritimes, est-ce qu'il n'en résultera pas une augmentation assez considérable dans le coût d'un navire?

Marc Turcotte

R Je crois que nous tombons peut-être, à ce moment-ci, dans le domaine hypothétique, peut-être même le plus fantaisiste. Il est possible qu'une augmentation de coût ait lieu, mais il est aussi possible qu'elle n'ait pas lieu. Si nos chantiers maritimes peuvent construire des navires très bien spécialisés, très bien adaptés au transport canadien, aux conditions du transport canadien, il est fort possible que cette augmentation de coût existe, et même si elle se produit, étant donné l'avantage économique du point de vue sécurité économique et politique que nous pourrions en retirer, cet avantage-là vaut peut-être le coût additionnel que l'on devrait payer pour avoir une certaine marine canadienne.

D Et lorsque vous parlez du coût additionnel que l'on devrait payer, je suppose que vous voulez référer à une politique de subsides directs ou indirects?

R Bien, le coût peut être partagé soit par les clients privés de nos entreprises, ou par la société de la région; si c'est la société qui en retire un avantage particulier, il serait peut-être juste que ce soit elle qui en paye les frais.

D A supposer que le fait que nos navires soient construits ici se traduise nécessairement et immédiatement par une augmentation du coût de ces navires, qu'il faudrait contre-balancer peut-être par une politique de subsides, est-ce qu'on devrait envisager que les subsides que l'on devrait alors accorder, directement ou indirectement, à l'entreprise privée, seraient permanents ou seraient du moins fixes?

Marc Turcotte

R Là encore, si on me permet une digression un peu théorique, je vais exprimer mon opinion personnelle. Je crois que ces subsides-là seraient temporaires, je crois que du moins ils iraient en diminuant, pas continuellement, si c'est nécessaire.

D Pourquoi iraient-ils en diminuant?

R Je crois que si une industrie de l'importance de nos chantiers maritimes est encouragée dans la région de Québec, elle tendra à stimuler un développement économique/^{qui}se fait sans elle, mais qui se fait mieux avec elle, développement économique qui serait une exploitation locale ou assez immédiate, au point de vue distance, de nos ressources naturelles, que nous exploiterons bientôt dans une région tout à fait voisine de la région de Québec, et je crois qu'à ce moment-là, nos coûts de construction pourront être diminués d'une façon très sensible, et que les subsides, s'il y a lieu d'en donner au début, auront une tendance à diminuer d'une façon radicale à ce moment-là.

D. En somme, il ne restera qu'un seul désavantage à ce moment-là, par rapport aux chantiers étrangers; ce sera le coût de la main-d'oeuvre, parce que vous n'entrevoiez pas, par exemple, que le coût de l'acier diminuera?

R Je crois que nous pouvons entrevoir un tel phénomène.

Me Gérin-Lajoie: Monsieur le président, je crois que je devrais commencer par poser certaines questions à M. Poisson, avant d'interroger M. Turcotte.

M. YVES POISSON: Si vous me permettez, je vais ajouter quelque chose à mon témoignage de tout à l'heure, au sujet des moyens de compenser l'augmentation possible des coûts.

Je crois qu'il y a lieu d'envisager la possibilité d'autoriser une dépréciation accrue, pour fins d'impôt sur le revenu des corporations engagées dans les entreprises de transport ou de construction, transport maritime ou construction maritime.

C'est tout ce que je voulais ajouter, Monsieur Lajoie.

Me GERIN-LAJOIE: Monsieur le président, une petite mise en garde, si je puis dire, comme les avocats de la Commission ont eu l'occasion d'en faire dans les différentes villes où la Commission a siégé.

Les témoins qui comparaissent devant la Commission, celui qui est devant vous à l'heure actuelle, et les autres qui sont dans cette salle, comprendront que le rôle des avocats de la Commission est de mettre en lumière tous les aspects du problème ou des problèmes que votre Commission doit étudier. Alors, à cette fin-là, les avocats de la Commission ont l'allure de l'avocat du diable qui prend partie contre le témoin, quelle que soit la position prise. Alors, il faudra que vous soyez bien à l'aise, et soyez assurés que si nous avons l'air de prendre une position adverse, ce n'est pas par parti pris, mais simplement pour répondre à des objections soulevées ailleurs dans le pays, et qui sont devant la Commission.

Alors, Monsieur Poisson, vous me permettrez de

de vous poser certaines questions en référant tout d'abord au mémoire soumis par la Chambre de Commerce, à la pièce supplémentaire qui porte le numéro 71.

D En référant d'abord à la page 3 de votre mémoire, tel qu'il apparaît dans le volume publié et imprimé par la Commission, vous mentionnez qu'à l'heure actuelle, la proportion du cabotage qui est effectuée par des navires britanniques était, en 1953, de 5½%, et vous avez dit, dans votre témoignage, qu'en 1954, cette proportion était déjà montée à 7.5%. Pouvez-vous nous dire quelle est la source des renseignements que vous donnez à la Commission?

R Il y a deux sources qui nous permettent d'arriver aux mêmes chiffres. Il y a le rapport de la Commission Maritime Canadienne, et il y a la publication qui s'appelle "Water Transportation" du bureau fédéral de la statistique, et le dernier chiffre qui est cité, celui de 7½%, provient de la deuxième source.

D Maintenant, est-ce que vous avez quelques idées au sujet du type de cabotage qui est fait par les navires britanniques? Est-ce que cela se partage également entre ce qu'on appelle le "bulk cargo" et le "package cargo"?

R Je ne suis pas un spécialiste sur ce point-là, mais je suis sous l'impression qu'il se fait surtout du transport de cargaison complète.

D En ce qui concerne le Saint-Laurent, je sais qu'il se transporte du minerai de fer, actuellement, de Sept Îles à Contrecoeur, par exemple, par des navires britanniques?



Yves Poisson

R Oui.

D Vous ne savez pas dans quelle proportion?

R Je crois que tout le minerai de fer qui est transporté de Sept Îles à Contrecoeur est transporté par des navires britanniques.

D Est-ce que vous savez par quelle compagnie de navires ou de navigation?

R Je l'ai su, mais je vous avoue que dans le moment, je ne pourrais pas vous donner le nom.

D Maintenant, en ce qui concerne le 5½% de cabotage qui est fait par des navires britanniques, vous ne pouvez pas nous dire dans quelle région du pays le commerce se fait?

R Surtout dans la région du fleuve, de l'Atlantique, et de l'est du Saint-Laurent, de Montréal vers l'Est. Je n'ai pas réussi à obtenir de chiffres sur le pourcentage de chaque région. Cependant, dans un des mémoires que la Commission a en main, on citait quatorze (14) pour cent en ce qui concerne la région du Saint-Laurent et de l'Atlantique, quatorze (14) pour cent seulement dans cette région-là.

D Vous n'avez pas de renseignements qui vous permettraient de distinguer entre le commerce sur le fleuve Saint-Laurent et celui qui serait fait dans le golfe et sur l'Atlantique, par exemple, entre Terre-Neuve et les Provinces Maritimes?

R Non, je n'ai pas ces renseignements-là.

Yves Poisson

D Vous craignez que ce pourcentage aille en augmentant après la canalisation du Saint-Laurent. Pouvez-vous nous dire ce qui justifie cette opinion de votre part?

R Le seul fait que les bateaux de plus fort tonnage pourront circuler librement entre le Bas Saint-Laurent et de Montréal vers l'Est, entre cette partie-là et les Grands Lacs, vont permettre, forcément, à une quantité considérable de navires de faire du transport sur une plus grande étendue.

D Est-ce que vous envisagez seulement le cas des navires qui ne font que du cabotage, ou à la fois du transport transocéanique et du cabotage?

R Les deux cas peuvent se présenter, et justement le fait que les océaniques pouvant prendre des marchandises en montant ou en descendant le Saint-Laurent et les canaux vers les Grands Lacs augmentera justement la possibilité d'une concurrence accrue.

D Maintenant, la Commission a entendu dire, par divers groupements, diverses personnes qui ont comparu devant elle, qu'il serait donc économique pour des transatlantiques de remonter le fleuve Saint-Laurent et faire les Grands Lacs, que ce sont les bateaux à cale plus profonde qui ne pourraient pas prendre une cargaison aussi considérable, loin de là, pour un tirant d'eau de vingt-sept (27) ou vingt-cinq (25) pieds. Que pensez-vous de cette opinion?

R Je ne suis pas en mesure de formuler une opinion fondée sur ce point-là, et d'après certains renseignements que je possède, par les contacts que j'ai

Yves Poisson

eus avec les gens dans le métier ou dans ce genre d'entreprise, il semble en effet que c'est au moins un espoir, sinon une réalité définitive, que les bateaux des Grands Lacs pourront effectuer du transport à des coûts inférieurs à ceux que les océaniques devraient exiger, mais ça, je n'ai pas d'opinion personnelle là-dessus.

D Vous n'avez pas de renseignements?

R Je n'ai pas de renseignements qui me permettent de formuler une réponse, si vous voulez, à la Commission.

D Parce que s'il est exact, par exemple, que les navires des Grands Lacs à fond plat, par exemple, les navires de dernier modèle peuvent transporter une cargaison trois fois plus considérables, pour le même tonnage?

R Oui.

D Le coût en serait évidemment beaucoup moins élevé, les taux de transport sont beaucoup moins élevés que ceux des navires transatlantiques?

R Cela me paraît d'ailleurs une probabilité...

D Et dans ce cas-là, la concurrence des navires transatlantiques pourrait être négligeable? Est-ce que je fais erreur?

R Bien, voici, il y a un facteur; dans le cas des navires transatlantiques, il n'est pas dangereux que ces navires transatlantiques viennent faire du cabotage, prennent des cargaisons complètes de marchandises, pour fins de cabotage. Ce que ces

Yves Poisson

navires-là peuvent faire, c'est de prendre des cargaisons incomplètes, des compléments de cargaison à des prix inférieurs à tout ce que les autres navires pourraient exiger. C'est une occasion additionnelle, en somme, qui se présente à eux. Par exemple, si un navire doit nécessairement se rendre à la tête des Grands Lacs, disons que c'est un navire qui vient de l'Europe, il déchargera à Montréal une partie de sa cargaison, et continuera dans les Grands Lacs, soit chercher de la marchandise, soit en porter une cargaison incomplète. Il peut, comme il doit y aller, prendre un complément de cargaison de Montréal et le monter aux Grands Lacs, ou inversement, selon le cas.

D Dans ce cas-là, votre argument, ou la situation que vous envisagez ne s'appliquerait qu'aux navires qui prennent du "package cargo", mais ne s'appliquerait pas au "bulk cargo"?

R Cela peut s'appliquer aux deux, parce que les navires peuvent prendre ce qu'on appelle le "bulk cargo", par exemple. Est-ce qu'on peut citer les céréales?

D Oui, parfaitement.

R Alors, il n'y a rien qui s'oppose à ce qu'un navire comme ça prenne une charge incomplète de céréales, à côté d'un autre genre de cargaison, cela se fait couramment dans le transport océanique. Ici, à Québec, nous avons très souvent des bateaux qui prennent une cargaison incomplète de céréales et la complètent avec d'autres produits.

D Si vous envisagez particulièrement le

Yves Poisson

cas des navires qui prennent des cargaisons incomplètes ou des compléments de cargaison, est-ce que vous croyez que cette concurrence-là serait susceptible de faire disparaître complètement les navires canadiens engagés dans le cabotage?

R Ah. non, je n'ai jamais cru que les navires canadiens pouvaient disparaître complètement, seulement, ils pourraient perdre une partie de plus en plus importante de leur commerce, ce qui serait déjà un mal, et permettez-moi d'ajouter là-dessus que plus on retardera à adopter une mesure restrictive, plus la situation devant laquelle on se trouvera plus tard sera sérieuse, selon nos prévisions, et alors....

D Pourquoi sera-t-elle plus sérieuse dans cinq (5) ans?

R Parce que si la concurrence augmente, elle frapperait une partie plus importante des transports affectés à ce moment-là au commerce, tel qu'il existerait, parce qu'en somme c'est un mouvement qui se crée graduellement. Si l'on a par exemple de vingt (20) à trente (30) pour cent du cabotage qui est fait par des navires étrangers, on a la possibilité qu'il y ait de vingt (20) à trente (30) pour cent de bateaux de moins, de cales canadiennes. Alors, si à ce moment-là, on applique une mesure restrictive, on touche à trente (30) pour cent du transport qui est fait par des étrangers, premièrement. Deuxièmement, si la mesure s'applique rigoureusement au moment où on peut manquer trente (30) pour cent de cales canadiennes.

Yves Poisson

D Pour prendre soin de cette partie-là du transport, il serait toujours temps d'introduire la mesure d'une façon progressive?

R Oui.

D Vous envisagez les navires à prendre un supplément de cargo disons à Montréal, Québec, n'importe où le long du Saint-Laurent, pour monter jusqu'aux Grands Lacs? Cela, c'est dans l'hypothèse où les navires transatlantiques auraient à monter? Enfin, c'est une question de même nature que tout à l'heure, mais sous une forme différente. Est-ce que vous croyez que ce serait tout de même une partie moins importante, moins forte de la navigation sur le fleuve qui constituerait un commerce sur l'Atlantique, de cette façon-là?

R Voulez-vous dire particulièrement le cabotage fait par des océaniques?

D Par exemple, est-ce qu'il y aurait une proportion substantielle qui serait appelée à monter le fleuve....

R Justement, nous avons quelque part dans le mémoire que nous avons soumis, un chiffre assez révélateur sur les tendances qui se manifestent déjà, même avant que la canalisation du Saint-Laurent soit terminée. C'est le chiffre des navires qui se sont rendus à Toronto en 1954 et l'attente et les estimations du nombre de ces mêmes navires qu'on attend en 1955. Cela a été pris dans le Financial Post...oui, c'est à la page 11 du mémoire, sous le chapitre 2 qui est intitulé "Définition et importance du cabotage".

Yves Poisson

D C'est à la page 5 dans le mémoire du volume tel qu'imprimé par la Commission.

R Vous voyez ici "En effet, les statistiques de la navigation indiquent qu'en 1946 seulement cinq (5) bateaux européens se sont aventurés dans les Grands Lacs, alors que l'an dernier quelques 100 bateaux y ont fait 230 voyages et transporté des cargaisons se chiffrant à 700,000 tonnes. Cette année, on estime à 150 le nombre des cargos qui s'y rendront, dont quelques-uns feront jusqu'à cinq (5) ou six (6) voyages. A lui seul, le port de Toronto attend 120 de ces bateaux, alors qu'il n'en a reçu que 8 en 1949".

D Vous n'avez pas de renseignement sur le type de cargaison que ces navires transportaient en 1954?

R Non, je n'ai pas étudié le problème assez profondément.

D Est-ce que vous croyez que ces chiffres ont quelque signification pour l'avenir, alors que la canalisation du Saint-Laurent permettra à des navires d'un type bien différent, les derniers modèles construits sur les Grands Lacs, qui ne peuvent pas actuellement utiliser le fleuve, mais qui pourront le faire à ce moment-là, est-ce que vous croyez que cette tendance permet de faire une conjecture sur l'avenir, alors que nous aurons le canal?

R Je le crois, en effet, parce que selon les information que nous avons, les compagnies de navigation européenne, ou certains compagnies européennes ont déjà prévu la construction de navires

Yves Poisson

faits spécialement pour remonter le nouveau canal du Saint-Laurent, lorsqu'il sera terminé.

D A votre connaissance, est-ce qu'il s'agit d'océaniques?

R D'Océaniques, oui.

D Maintenant, pouvez-vous me donner un petit éclaircissement, juste à ce point particulier. Je cite la page 4 du rapport, tel que publié par la Commission, où sous le titre "Navires et main-d'oeuvre"...

R Oui.

D Vous parlez là de 1,589 navires de toutes sortes, possédés par des armateurs canadiens. Est-ce que vous voulez bien dire "canadiens" ici, parce que vous semblez parler, si je comprends bien, de la navigation côtière du Canada, et j'aimerais que vous éclaircissiez le point.

R Bien, oui, je crois que ce sont les 485 qui sont évidemment étrangers. Maintenant, il y a des dispositions qui ne sont pas toujours données dans les publications de statistiques, et sur ce point, justement, cela, où il est difficile d'établir d'une façon certaine quelle proportion il peut y avoir de navires étrangers là-dedans, la probabilité, c'est qu'il y en a 485, mais cela comprend tous les types de navires, voyez-vous, comme les bateaux de passagers, les cargos mixtes.

D Mais quand vous dites que "la navigation côtière du Canada est assurée par 1,589 navires de toutes sortes, possédés par des armateurs canadiens", vous n'êtes pas certain s'ils sont possédés par des armateurs canadiens?

Yves Poisson

R Non; cette partie-là, oui, je suis certain, c'était d'après le document "Water Transportation", je pense, ça...oui, ça, c'est pris dans "Water Transportation" du bureau fédéral de la Statistique, et les 1,589, je crois, qui sont vraiment la propriété des armateurs canadiens, cela ne veut pas dire que ce sont tous des bateaux construits au Canada, par exemple; cependant, les 485 peuvent être des navires étrangers.

D Peuvent, mais pas nécessairement?

R Pas nécessairement.

D Quand vous parlez d'armateurs canadiens, il peut s'agir non seulement de navires construits à l'étranger, mais également de navires enregistrés à l'étranger?

R Possiblement.

D Quand je dis étranger, je veux dire en dehors du Canada?

R Oui. La distinction n'est pas faite dans la publication du bureau fédéral de la Statistique, et évidemment, je ne suis pas en mesure de la faire moi-même.

D Un peu plus, à la page 5 du mémoire, sous le titre "Concurrence étrangère", lorsque vous donnez la proportion du cabotage qui est fait par des navires non canadiens, je présume que ces navires-là peuvent être également engagés dans le commerce international?

R Je le crois, oui; il peut y en avoir une proportion, "x" par exemple.

Yves Poisson

D Vous n'êtes pas en mesure de distinguer, séparer les deux?

R Non, c'est un point que j'aurais bien aimé pouvoir approfondir, mais je crois que la source de renseignements n'est pas à notre disposition. Peut-être que le bureau fédéral de la Statistique pourrait le faire.

D Un peu plus loin dans votre mémoire, vous parlez des frais d'exploitation sur les navires battant pavillon canadien ou battant pavillon non-canadien.

R La comparaison qui est faite ici.

D Maintenant, la grande difficulté est dans le salaire payé tant dans l'un et l'autre cas?

R En effet, oui.

D Si vous envisagez le cas de navires enregistrés ailleurs qu'au Canada qui seraient engagés dans le cabotage uniquement au Canada, est-ce que vous croyez qu'une telle différence dans l'échelle des salaires pourrait être maintenue longtemps?

R Bien, je sais que dans un autre mémoire à la Commission, justement le problème a été touché. Je ne suis pas assez familier avec le problème de l'employeur dans le domaine de la navigation, pour être capable de répondre pertinemment à cette question-là. Si les marins britanniques devenaient une main-d'oeuvre plus rare, cela peut changer la situation.

D Parce qu'il y a un double argument qui a été présenté à la Commission. Vous pourriez peut-être donner votre opinion là-dessus. C'est

Yves Poisson

que d'une part, pour que le cabotage soit efficace, il devrait être fait avec des navires qui ne se prêteront pas aussi bien au commerce transatlantique, et par ailleurs, si c'est sur des navires de cabotage d'un type qui se prête mal au transport océanique canadien, des marins anglais, des Iles Britanniques, parce que le navire est enregistré là-bas, ces gens-là, ces marins se prêteront vraiment à cette différence de traitement pour de longs mois, à l'année longue. Je me demande si vous avez une réponse à cet argument: on n'a pas besoin de meilleure restriction, la protection se fera d'elle-même?

A Bien, voici, on peut toujours remplacer des marins. Alors, ça se pourrait que si le propriétaire d'un navire veut continuer à bénéficier d'un coût inférieur, il n'y a rien qui l'empêche de remplacer ses marins au besoin, si leur esprit devient moins bon, si leur soumission est douteuse, s'il existe vraiment un danger de toucher de très hauts salaires. Justement, ce problème-là, pour le propriétaire, peut être contourné par ces moyens-là, du moins à mon sens.

D C'est là que pourrait se poser, d'une certaine façon, la possibilité que vous mentionnez, qui est la pénurie de marins d'origine des Iles Britanniques?

R Seulement, est-ce qu'il y a quelque chose qui empêche...est-ce que je peux vous poser une question moi-même, à mon tour? Est-ce qu'il y a quelque chose qui empêche les marins d'autres pays

Yves Poisson

d'être engagés dans les bateaux canadiens?

M. MAURICE BELANGER: Dans les bateaux anglais?

R Anglais ou canadiens-anglais.

Me GERIN-LAJOIE: D Selon les exigences des unions....

R Internationales.

D Qui s'opposent à une telle chose, si je comprends bien.

Alors, dans un tel cas, les navires britanniques peuvent prendre une main-d'oeuvre britannique simplement, parce qu'ils ne sont pas soumis aux lois des agences canadiennes ou des unions ouvrières canadiennes.

Maintenant, vous avez touché, dans une certaine mesure, les différences d'intérêts d'une région économique à l'autre du pays. En ce qui concerne les modifications que vous suggérez aux lois sur le cabotage, en particulier, est-ce que vous avez quelque chose à répondre au sujet nonseulement de Terre-Neuve, mais des Provinces des Prairies, par exemple, qui disent: voici, il ne s'agit pas d'intérêt individuel chez nous, il s'agit des intérêts de toute une région économique qui sont en jeu; si le coût du transport s'élève le moindrement, ou si nous n'avons pas le plein bénéfice de la canalisation - elle s'adresse à une réduction de taux - c'est toute une région économique qui en souffrira.

Qu'est-ce que vous avez à répondre à cet argument?

R Est-ce que...je ne sais pas si j'ai bien compris votre question, justement.

Yves Poisson

D Par exemple, les gens de l'Ouest, des Provinces des Prairies, disent: si nous n'avons pas le plein bénéfice des réductions de taux qui devraient résulter de la canalisation du Saint-Laurent, et bien, c'est deux régions qui en souffrent, et comme question de fait, ceux qui en profiteront seront les intérêts des chantiers maritimes, si l'on veut, et les intérêts dans le commerce, dans le transport, disons les intérêts, pas seulement les propriétaires, mais les ouvriers d'une région économique?

R Je crois qu'on peut s'attendre à ce que la canalisation du Saint-Laurent occasionne une diminution des taux de transport; De toute façon, je ne vois pas comment le contraire serait possible.

D Maintenant, il y aurait une diminution moindre, mettons-le comme ça, s'il y avait augmentation du coût de construction des navires et des frais d'opération?

R Oui, en effet, ça peut arriver qu'il y ait une diminution moindre.

M. MARCEL BELANGER: Ils veulent avoir la pleine diminution.

R Evidemment, nous, nous nous plaçons du point de vue intérêt général du pays, si vous voulez, au point de vue que nous avons expliqué tout à l'heure, et nous croyons que même si cela arrivait, que la diminution des coûts soit moindre, pour protéger les intérêts supérieurs de la nation, il vaut la peine de consentir quelques sacrifices sur ce point-là.

Yves Poisson

Me GERIN-LAJOIE: D Prenant pour acquis pour ces fins seulement que les intérêts supérieurs de la nation exigeraient un tel coût, est-ce que la politique de subsides du gouvernement fédéral ne serait pas un moyen qui répartirait sur toute la nation le coût d'un régime restrictif ou protectionniste comme celui que vous proposez?

R Justement, comme je le disait tout à l'heure, tantôt, dans mon témoignage, en principe, nous ne favorisons pas une politique de subsides, mais si la situation devenait telle qu'il faille en établir une, je pense bien que personne pourrait s'y opposer irréductiblement, et justement il reste différentes façons d'établir une politique de subsides, et celle qui me paraîtrait la moins dangereuse est justement celle qui serait basée sur l'octroi d'un pourcentage du transport maritime en général, de façon à le réduire à un niveau jugé équitable pour tout le monde, au lieu de subventionner directement le constructeur de navires ou celui qui donnerait la commande, je veux dire le chantier maritime ou le propriétaire qui veut donner une commande d'un navire.

D Avant de parler de la forme des subventions, est-ce que vous avez quelque chose à répondre aux idées des gens, par exemple, des Provinces des Prairies - je dis bien par exemple - qui disent 'non seulement ce serait un régime acceptable, mais c'est celui des plus juste, parce qu'il répartit le coût sur toute la nation, tandis qu'autrement ce sera les provinces de Québec et d'Ontario qui profiteront le plus d'un régime protectionniste, alors que les

Yves Poisson

Provinces des Prairies n'en profiteront pas'?

R C'est l'argument dans tous les cas, on l'a exprimé pour régler tous les problèmes de la nation. On parle de la politique de subsides pour répartir le coût de tous les services que le Canada doit voir maintenus par l'Etat. Cela va aussi loin que les problèmes de relations fiscales interprovinciales avec le gouvernement fédéral. Ça, cet argument-là existe partout, dans toutes les sphères de l'activité économique dans le Canada, et il faut en tenir compte dans une mesure de...dans le cas de la navigation, comme dans tous les cas.

D Cela m'amène à vous poser la question: quelle objection avez-vous à un tel régime de subventions?

R Parce qu'en principe on peut admettre que la subvention suppose ou entraîne une main-mise de l'Etat sur les entreprises qui bénéficient de la subvention, et c'est un obstacle plus ou moins sérieux.

D Est-ce que vous pouvez expliquer ce que vous voulez dire par "main-mise de l'Etat sur l'entreprise? Imaginez, par exemple, un subside donné aux constructeurs ou aux chantiers maritimes, un pourcentage du coût de construction, par exemple?

R Oui.

D De quelle façon envisagez-vous une main-mise de l'Etat, selon votre expression?

R Bien, voici: il faut que l'Etat justifie son octroi. En somme, il faut qu'il aille jusque dans la comptabilité de l'entreprise, pour voir si l'octroi est justifiable, je pense.

Yves Poisson

D Est-ce qu'il n'a pas des moyens relativement simples avec les renseignements que possèdent le bureau fédéral de la Statistique et la Commission maritime canadienne, pour établir cette différence de coût entre la construction d'un navire au Canada et en Grande-Bretagne, par exemple, et établir ainsi une échelle de subsides?

R Oui, on peut établir des échelles de subsides. Je sais qu'aux Etats-Unis on en donne aux compagnies de transport; je ne suis pas très au courant des détails, de la formule utilisée, mais je sais que l'on se base sur des soumissions accordées par des compagnies de navigation, des compagnies de construction navale des autres pays même, on va jusque là, mais il reste quand même qu'il faut que l'Etat contrôle, d'une façon satisfaisante, les entreprises qui bénéficient de ses octrois. Lorsque je dis "contrôle," je veux dire contrôler le bien-fondé de toute la structure.

D Maintenant, vous nous avez dit que comme pays souverain, le Canada doit voir à protéger son économie par des moyens de transport adéquats. Est-ce que votre argument justifie la conclusion à l'effet que les navires devraient être construits au Canada? Pouvez-vous expliquer comment vous en arrivez là?

R Parce que la protection...par sécurité nationale, nous n'entendons pas nécessairement le cas d'urgence de guerre.

D Non, simplement au point de vue économique?

Yves Poisson

R Au point de vue économique, la structure économique du pays, il y a deux arguments là-dessus. Attendez que j'y réfléchisse une seconde..

D Je ne sais pas si je peux vous aider. Par exemple, au point de vue opération, je comprends que si une grève, s'il y a une grève de marins qui ne relèvent pas de la législation et des pouvoirs du gouvernement canadien, du point de vue du gouvernement canadien, cela peut poser un problème?

R Oui.

D Voilà une objection très forte. On pourrait exiger qu'un navire soit enregistré au Canada, batte pavillon canadien, soit sous le contrôle canadien, mais tout de même, à l'origine, avoir été construit en Angleterre?

R Oui.

D Dans un tel cas, quel danger voyez-vous à notre économie?

R Je vois un danger à l'économie des chantiers maritimes.

D Si vous me le permettez, je voudrais bien qu'on s'en tienne dans un certain argument. On envisage l'économie nationale et les moyens de transport comme essentiels à l'économie nationale. Par exemple, il faut que le blé puisse être transporté, même s'il y a une grève de marins en Angleterre?

R D'accord.

D Est-ce que le fait qu'on achèterait des navires en Angleterre pourrait affecter le transport du blé jusqu'à Montréal, jusqu'à Sept Îles?

Yves Poisson

R Non, le fait d'acheter un navire à l'étranger ne changerait rien à ce point de vue-là, mais au point de vue économie nationale, cela va changer quelque chose, si on n'a pas de chantier maritime, par exemple, cela va changer quelque chose à notre point de vue. La création d'industries connexes qui vont fournir les matières premières aux chantiers eux-mêmes, ou leur disparition, comme les chantiers utilisent actuellement une partie de ces matières premières, et cela va créer un manque de revenus à une partie importante de la population, multiplié par un facteur économique de...

D Maintenant, ceci nous amène à une autre question. D'abord, est-ce que vous envisagez, s'il n'y a aucun changement à la législation canadienne, que les chantiers maritimes canadiens puissent disparaître complètement?

R Bien, voici...

D Ou si c'est une question de degré?

R Nous constatons qu'ici même, à Québec, la main-d'oeuvre des chantiers maritimes est descendue, à un moment donné, jusqu'à six cent quarante (640) personnes, partant de tout près de dix mille (10,000) personnes. Actuellement, ce qui favorise une augmentation de la main-d'oeuvre dans les chantiers de construction navale, c'est précisément la construction de navires de guerre, mais si les navires de guerre ne doivent pas être construits au rythme actuel, en permanence, ce facteur-là doit être considéré comme un facteur absolu, qui apporte une aide temporaire

Yves Poisson

actuellement, mais si la situation internationale changeait pour le mieux, il est fort possible que le programme de construction de ces navires de guerre serait modifié dans le sens d'une diminution, même dans une diminution assez radicale. Alors, on ne pourrait plus compter que sur la construction de navires marchands, soit de cabotage, soit de haute mer.

D Est-ce que vous envisagez que les chantiers maritimes puissent disparaître complètement, ou si vous craignez simplement que les fondations en soient ébranlées?

R Il peut arriver que plusieurs chantiers maritimes disparaissent complètement. Il en est disparu un, ici, à Québec, en 1949. Il peut fort bien arriver qu'il en disparaisse ici ou ailleurs.

D De là, ceci m'amène à vous poser cette question: est-ce que le Canada devrait maintenir, en temps de paix, des chantiers maritimes aussi actifs au point de vue nombre d'employés, de travaux, etc., qu'en temps de guerre?

R Il va de soi que durant la période de guerre les chantiers maritimes sont appelés à une activité accrue, comme beaucoup d'industries, et que ce serait illusoire d'espérer qu'on puisse maintenir le niveau d'employés à ce maximum en permanence. Il reste quand même qu'une activité réduite à vingt (20) pour cent, comme c'est le cas actuellement, nous semble inférieure à ce qu'elle

Yves Poisson

devrait être.

D Puis-je vous demander sur quoi vous vous basez pour donner cette réponse, parce que si je ne fais pas erreur, aux Etats-Unis, le gouvernement d'aujourd'hui estime que les activités des chantiers maritimes en temps de paix pourraient être considérées comme idéales lorsqu'elles seraient à dix (10) pour cent de l'activité de temps de guerre?

R Voici, je me base surtout sur les phénomènes de l'économie locale, parce que je parle actuellement seulement des chantiers locaux. Par exemple, du point de vue économie locale, le facteur de la main-d'oeuvre des chantiers maritimes est très important, parce que cela représente, nous avons une main-d'oeuvre globale dans Québec et la région avoisinante d'à peu près cent mille (100,000) personnes, et si l'on en retire cinq (5) ou six (6) mille ou plus de travailleurs des chantiers, vous voyez quel pourcentage cela représente dans l'ensemble de notre main-d'oeuvre, de notre économie locale.

D Les chiffres que vous mentionnez se rapportent à la différence entre le temps de guerre et le temps de paix. A ce moment-là, est-ce qu'il n'est pas inévitable qu'il y ait des changements?

R De dix mille (10,000) à six cents (600), je crois que c'est un peu anormal.

D Maintenant, en ce qui concerne le nombre de chantiers maritimes, est-ce que vous iriez jusqu'à suggérer qu'il ne doit pas non plus y avoir de diminution dans le nombre des chantiers maritimes entre la période de guerre et la période de paix, ou si cela

Yves Poisson

serait encore une question de degré?

R Bien, je pense qu'il y a une question de technique qui intervient, la technique industrielle. En somme, si on prévoit que les besoins de la guerre deviendraient des besoins aussi considérables, sinon plus que ceux qui se sont manifestés durant la dernière guerre, et si on ferme un nombre important de chantiers maritimes, est-ce qu'on aura la main-d'oeuvre experte que nous devons avoir au moment de l'activité accrue, activité qui requerra des services additionnels. Là, c'est un facteur défini à l'appui, pour quelqu'un qui n'est pas spécialisé dans la question, évidemment, mais on sait que l'entraînement de la main-d'oeuvre sera de plus en plus coûteux, et cela à mesure que la technique se complique elle-même, la technique de la construction des navires.

D Tout de même, avec la circulation actuelle de la main-d'oeuvre technique, est-ce que ce n'est pas le cas qu'on peut arriver à entraîner des ouvriers compétents, dans une spécialité particulière, dans un nombre restreint de semaines?

R Oui, dans certaines catégories de métiers, c'est le cas. Il reste que la main-d'oeuvre peu experte accomplit un travail de qualité inférieure, qui peut avoir des conséquences très sérieuses sur le produit fini, sur sa qualité.

D Tout de même, seulement une petite précision, quand vous parlez de main-d'oeuvre moins experte, qui accomplit un travail de qualité inférieure. La question que je vous pose envisage le cas actuel où chaque ouvrier est appelé à manipuler une machine

Yves Poisson

bien particulière et entraîné, que le travail est relativement simple. Alors, dans ce cas-là, il me semble que le travail accompli n'est pas supérieur à celui qu'un ouvrier accomplit avec un petit peu plus d'expérience?

R Il y a une question de mentalité peut-être là-dedans. C'est l'ouvrier appelé ouvrier de fortune; il se présente dans une entreprise comme le chantier maritime pour accomplir un tel métier qui peut s'apprendre dans trois (3) semaines, il n'a pas la conscience professionnelle d'un employé permanent, et c'est possible, j'ai eu connaissance, indirectement, d'expériences très fâcheuses dans le domaine de l'avionnerie, par exemple, où des rivets avaient été mal posés, et cela à cause du genre d'ouvrier, a causé des pertes de vies. La même chose peut se produire dans le cas de la construction navale.

D Maintenant, si vous me permettez de passer à d'autres points que je ferai assez courts.

Tout d'abord, je me réfère à la page 13 du volume, c'est-à-dire au chapitre 5, La Marine Canadienne - Historique -, au sixième paragraphe de la page 13, j'y lis: "L'échec de 1936 se renouvela en 1948; nos navires, trop lents et trop coûteux, ne purent soutenir la concurrence d'unités plus rapides et plus modernes qui sortaient des chantiers de construction navale d'outre-mer".

Pouvez-vous éclaircir cela? Je ne crois pas qu'on ait jamais représenté à la Commission que les navires canadiens étaient plus lents?

Yves Poisson

R Bien, j'ai pris les termes presque textuellement dans cette partie-là; d'ailleurs, la citation est indiquée dans le rapport de la Commission Maritime Canadienne, et je crois justement que les deux mots "trop lents" et "trop coûteux" sont dans un des textes que j'avais à ce moment-là.

D Alors, il faudrait aller voir dans le contexte pour avoir des explications?

R Bien, le contexte, je pourrais sans doute retracer l'endroit exact.

D Je crois bien que la citation est entre guillemets n'est-ce pas? Vous en donnez la référence, n'est-ce pas?

R Oui.

D Plus loin, à la page 17 du volume imprimé, au chapitre 6, Construction Navale, effets sur l'économie locale, vous citez la Commission Maritime Canadienne - troisième paragraphe de la page 17: "A cette fin, on estime que la construction navale au Canada se doit d'employer 7,000 hommes dans les chantiers maritimes situés à des points stratégiques". Vous vous rendez compte que si l'on estime à 7,000 le nombre d'employés dans les chantiers maritimes, que vous seriez loin d'avoir à Québec le nombre d'employés que vous semblez désirer avoir dans les chantiers maritimes?

R Exactement, la main-d'oeuvre des chantiers maritimes de la province est de 2,350. Alors, cela nous laisserait une moyenne d'à peu près 1,000, qui est la moitié de ce que nous avons actuellement.

Yves Poisson

C'est pour cela que nous appuyions tout à l'heure nos buts sur d'autres considérations que les besoins purement techniques, tels qu'estimés par la Commission Maritime.

D Maintenant, pour nous en tenir aux questions générales, avant de passer à la petite navigation. Vous avez dit un mot tout à l'heure de la dépréciation accrue que le gouvernement canadien devrait accorder aux navires construits au Canada, pour aider la construction maritime canadienne. Voulez-vous expliquer ce que vous vouliez dire?

R Pour fins d'impôt sur le revenu des corporations.

D Parce qu'il y a déjà une loi qui permet de déprécier un navire construit au Canada en trois (3) ans?

R Oui.

D C'est-à-dire trente-trois et un tiers (33 1/3) pour cent par année?

R Oui.

Est-ce que vous envisagez quelque chose de différent?

R Pas nécessairement, c'est une note que j'ai prise tout à l'heure.

D Est-ce que la législation canadienne ne donne pas déjà ce privilège?

R Elle est déjà généreuse.

D Maintenant, si je me réfère à votre petit mémoire supplémentaire produit comme pièce numéro 71, à la page 3, vous parlez de la différence

Yves Poisson

entre les frais de transbordement à Montréal et à Québec, et en particulier le quatrième paragraphe de cette page 3 dit: "Les propriétaires de petits navires doivent donc, en conséquence, payer 5¢ de plus l'heure aux débardeurs du port de Québec, qu'à ceux de la zone du canal Lachine du port de Montréal". Voulez-vous expliquer ici ce que vous envisagez? Est-ce que je comprends que tous ces salaires-là sont fixés sous des lois provinciales, ou est-ce qu'il y en a une partie fixée sous les lois et l'administration provinciales et une partie sous l'administration fédérale?

R Oui, je crois que ceux qui sont concernés ici sont tous soumis aux lois provinciales.

D Avez-vous une explication au sujet de la différence de taux entre Québec et Montréal?

R L'explication, c'est que le travail est un peu différent, par le fait que le port...la navigation, ici, qui existe, la petite navigation dans le port de Québec est un tout, si vous voulez. Je vaix m'expliquer. Dans la partie du canal de Lachine, vous n'avez là que de petites goélettes; dans la partie qui nous intéresse, il y a les petites goélettes qui bénéficient de taux de \$1.43 de l'heure, et à Québec, ce sont les mêmes ouvriers qui sont préposés au travail fait sur des navires plus considérables, et les ententes diffèrent. C'est un des facteurs qui fait différer les ententes entre les employeurs et les employés.

D Qui vous dit qu'à Montréal il y a un taux de préférence, en somme, pour les navires de la navigation côtière, et qu'il n'y en a pas à Québec?

Yves Poisson

R Le taux n'est pas le même; à Montréal, il se trouve y en avoir trois, alors qu'il y en a deux à Québec. Ceux qui travaillent dans la zone du canal Lachine à Montréal sont complètement....

D En dehors de la région contrôlée par le Conseil des ports nationaux à Montréal?

R Oui.

D Comment expliquez-vous cette différence-là, parce que vous soulignez évidemment le fait comme un besoin à corriger?

R Oui.

D Est-ce que vous en connaissez l'origine ou la cause?

R Voici. De toute façon, la question du salaire, de cinq (5) cents de différence l'heure est apportée pas comme un argument pour demander à la Commission, ici, d'apporter des mesures de correction, mais simplement comme un argument qui démontre qu'il y a déjà ce désavantage-là dont nous avons à souffrir ici, et que par conséquent, les autres qui peuvent être corrigés par des mesures gouvernementales peuvent disparaître.

 Voyez-vous, là, il y a une question d'entente entre des groupes d'employés et d'employeurs. Il peut fort bien arriver que la différence de cinq (5) cents soit une question purement de circonstances locales dans les deux cas.

D Est-ce que vous trouvez que c'est une justification pour entraîner une action de la part du Gouvernement?

Yves Poisson

R Pas dans le domaine du salaire.

D Non, mais à cause d'une situation de salaires, croyez-vous que le Gouvernement devrait adopter des mesures d'une autre nature pour répondre, en somme, à une différence de salaires et de prix payés?

R Non, pas du tout.

D Comment est-ce que cela entre dans votre argument?

R Cette partie-là, voici comment elle entre dans l'argument. Premièrement, nous partons de l'égalité ou parité tarifaire....

D Des tarifs de quoi?

R Des tarifs de transport, de navigation. Alors, sur ce point-là, nous n'avons pas d'avantage, nous sommes sur un pied d'égalité. Les désavantages dont nous avons à souffrir sont les droits de terre-plein, les droits de port, qui varient, et puis la location des terrains; et la question de la main-d'oeuvre, la différence de cinq (5) cents dans la main-d'oeuvre n'est amenée que pour montrer qu'en somme nous sommes loin de reprendre des avantages sur ces points-là, que nous signalons ailleurs, et pas du tout dans le but de demander une intervention de l'Etat, pour modifier la situation des salaires. Cela devient une question complètement distincte.

D En ce qui concerne les droits de terre-plein, pouvez-vous nous dire, nous expliquer un petit peu ce qui en est?

R Il y a deux tarifs qui s'appliquent

Yves Poisson

dans les ports canadiens: celui du Conseil des ports nationaux, pour les ports qui sont sous la juridiction du Conseil des ports nationaux, et celui des tarifs généraux du ministère des Transports, qui s'appliquent dans les autres endroits où il existe des ports, et ce sont ces deuxièmes tarifs qui s'appliquent dans la zone du canal Lachine, qui sont à peu près un tiers (1/3) inférieurs dans le cas des droits de terre-plein.

D Est-ce que vous connaissez la raison pour cette différence entre ces régions qui dépendent du ministère des Transport et celles qui relèvent du Conseil des ports nationaux?

R Je crois que c'est une question de régie interne. En ce qui concerne le Conseil des ports nationaux, pour moi, c'en est une. D'ailleurs, en ce qui concerne les autres ports administrés par un autre organisme, les deux taux sont établis indépendamment l'un de l'autre, sans entente préalable entre les deux pouvoirs.

D Cette distinction qui existe à Montréal entre les deux régions, vous proposez de l'établir à Québec?

R Pour la petite navigation, oui.

D Est-ce que c'est une question de régie interne, ou si ce n'est pas simplement une question de délimitation territoriale, en somme, un terrain adjacent à un autre n'est pas soumis à la même autorité?

R Oui, dans le fond.

Yves Poisson

D Est-ce que vous ne devez pas promouvoir, pour être logique, qu'on mette cela sous la même autorité, ou qu'à tout événement, il y ait entente entre les deux autorités concernées?

R Bien, voici, je pense qu'on serait mal venu de demander qu'on augmente les taux dans la zone du canal Lachine.

D Il faudrait demander qu'on baisse ceux des ports nationaux?

R Plutôt, comme le préjudice que nous pouvons en subir ne s'applique qu'à la petite navigation, nous n'avons pas voulu aller plus loin que le problème de la petite navigation, nous limitant en somme au problème de la petite navigation, à ce secteur-là.

D C'est la même chose en ce qui concerne la location des terrains?

R La même chose, oui.

D Je ne veux pas prolonger l'interrogatoire, seulement je vais vous poser une question sérieuse, mais qui peut vous faire sourire, parce qu'elle vient d'un Montréalais. Pourquoi dites-vous que Québec, et c'est bien la ville de Québec que vous avez en vue, est l'endroit tout indiqué pour la construction d'immenses élévateurs pour l'entreposage du grain?

R Parce que nous sommes le dernier port important de l'est de l'estuaire du Saint-Laurent et que nous avons déjà, ici, une navigation moins importante qu'à Montréal, mais qui a quand même une importance relative, qui assurerait un maximum de service

Yves Poisson

qu'on ne pourrait pas trouver ailleurs, si l'on cherchait à aller plus à l'Est encore.

D Maintenant, la construction des élévateurs, est-ce que ce ne doit pas être en grande partie l'expansion de l'économie locale et les exigences locales de l'industrie qui amèneraient les navires et qui sont la cause de ce transbordement de toutes façons, de toutes sortes de cargaisons?

R Voici, vous avez deux cas qui se posent. Il y a des bateaux - c'est reconnu, ça, depuis toujours - qui arrivent d'Europe à peu près allèges, et au Canada, et ils retournent chargés, ce qui est assez rare dans le sens inverse. Je pense que même, en pratique, on peut dire que ça n'existe pas. De toute façon, il y a des bateaux qui viennent allèges au Canada, chercher des cargaisons, et l'argument que vous posez n'existe pas dans le cas dans le cas d'une cargaison complète, que ces bateaux-là, une fois chargés, on prend n'importe quel port et puis le plus près du but et le mieux, pour faire le moins de chemin possible, et retourner le plus tôt possible.

D Il faudrait peut-être les installer à Sept Iles?

R Voici, Sept Iles, justement, il y a le désavantage qu'il n'y a aucun cargo de retour, tandis qu'ici nous l'avons.

D Il n'y a aucun cargo de retour pour quels navires?

R Je veux dire de retour, amener le cargo, il n'est pas destiné à Sept Iles.

Yves Poisson

D Voulez-vous dire pour les navires des Grands Lacs, ou les navires océaniques?

R Les navires océaniques.

D Voulez-vous dire que les navires qui viendraient d'Europe ne pourraient pas décharger leur cargaison à Sept Îles parce que ce n'est pas un endroit favorable?

R Parce qu'il n'y a aucun arrière-fond économique, parce qu'il y a seulement le minerai de fer, et si l'arrière-fond de Québec est moins important que celui de Montréal, il y en a quand même un qui va se développer à mesure que la région économique va s'étendre vers le Nord-Est.

Me GERIN-LAJOIE: C'est tout, monsieur le président. J'aurais quelques questions pour Monsieur Turcotte.

--- ET LE TEMOIN NE DIT PLUS RIEN.

Marc Turcotte

Me GERIN-LAJOIE: D Monsieur Turcotte, vous nous avez souligné qu'il était important pour l'économie d'un pays comme le nôtre qu'une proportion significative de notre commerce soit assurée par des navires sous le contrôle du gouvernement canadien?

R Je ne veux pas dire nécessairement sous le contrôle administratif, mais sous le contrôle juridique.

D De la législation canadienne?

R Oui.

D Vous avez parlé de proportion. J' imagine qu'à l'heure actuelle, c'est ce qui se passe, n'est-ce pas, il y a seulement qu'une proportion du commerce qui est assurée par des navires battant pavillon canadien?

R C'est exact.

D Est-ce que vous avez des raisons de croire que cette situation ne se prolongera pas si aucun changement n'est apporté à la législation canadienne actuelle?

R Je présume que ce serait toujours un ensemble de proportion, n'est-ce pas, mais peut-être pouvons-nous craindre que ces proportions-là changeraient dans un ordre inverse, n'est-ce pas; de plus en plus, des marins qui ne sont pas régis par des lois canadiennes prennent des proportions plus grandes, et je crois que ceci puisse susciter un danger à éviter.

D Quand vous parlez de proportion, est-ce que vous êtes en mesure de mentionner un chiffre?

Marc Turcotte

R Voilà, un chiffre exact, non. Je crois qu'il est impossible de donner un chiffre absolument exact.

D Maintenant, cette argumentation-là, je la suis assez bien lorsqu'il s'agit d'une législation qui puisse contrôler, d'une certaine façon, l'opération des navires. On donnait, par exemple, le cas d'une grève, il faut qu'une grève soit sous le contrôle de la législation canadienne, pour ne pas dire le gouvernement fédéral, mais est-ce que vous poussez votre argumentation jusqu'à dire qu'il faut que les navires soient construits au Canada, pour que le Canada ou le Parlement ait le contrôle du commerce maritime intérieur?

R Je dis encore dans une certaine proportion, oui.

D Parce que voici: la situation que vous nous décrivez pour la navigation peut exister généralement dans la construction, et qu'il peut arriver une situation d'urgence où la construction de navires destinés au Canada soit affectée par des grèves dans les chantiers maritimes britanniques, ou par une par une pénurie de pouvoir ou de force motrice. Dans un cas comme celui-là, par exemple une pénurie, ou une grève pour une raison ou pour une autre, est-ce qu'il n'y a pas la soupape de sûreté permettant la construction dans d'autres pays?

R Oui, si la situation de nos chantiers permet une reprise immédiate, étant donné que si on laisse aller continuellement le déclin de nos chantiers,

Marc Turcotte

à ce moment-là; s'il se pose une situation d'urgence, on ne pourra pas reprendre immédiatement la construction des navires nécessaires.

D Est-ce qu'on ne pourrait pas en faire construire dans d'autres pays comme le Japon, l'Allemagne?

R Possiblement, certainement, on pourrait le faire; on suppose qu'en face de situation d'urgence, dans le cas d'opération du navire, si on a du transport à faire, si on a du blé à transporter, on a le navire tout de suite.

D Mais dans le cas de la construction, on a juste un certain nombre de navires?

R Certainement; le laps de temps n'est pas le même, mais les dangers sont d'un ordre tout à fait différent, n'est-ce pas?

D Vous avez également parlé de la continuité nécessaire dans l'activité des chantiers maritimes. Vous avez également mentionné qu'à l'heure actuelle les chantiers maritimes de la région de Québec ne travaillaient qu'à environ ^{20%} de leur activité de temps de guerre. Vous n'avez pas dit de leur activité de temps de guerre, vous avez dit vingt (20) pour cent de leur capacité, de leur activité, et cela m'amène à vous demander ce que vous considérez être une activité normale?

R Si vous me permettez de citer une partie de la question que vous avez posée à Monsieur Poisson, où vous disiez qu'aux Etats-Unis, on estimait qu'une activité de dix (10) pour cent était

Marc Turcotte

suffisante, je crois que nous sommes dans une situation totalement différente, parce qu'aux Etats-Unis le trafic maritime intérieur est presque nul, tandis qu'ici, c'est une très forte partie de notre transport de marchandises, c'est une des raisons pour laquelle il nous faut avoir des facilités de construction et une marine plus importante, parce qu'il y a aussi le fait, pour parler peut-être seulement de navigation côtière et plus spécialement de marine de haute mer, la proportion du commerce extérieur des Etats-Unis, par rapport au revenu national, est beaucoup plus faible qu'au Canada. Ici, au Canada, le commerce international, le trafic international, si vous voulez, représente de vingt-cinq (25) à vingt-huit (28) pour cent de notre revenu national, tandis qu'aux Etats-Unis, je crois qu'il représente douze (12) ou quinze (15) pour cent, ou peut-être moins.

D Je comprends que cela justifie évidemment une différence, évidente au moins, dans les chiffres entre nous et les Etats-Unis, tous les deux en temps de paix, mais je ne vois pas pourquoi cela justifierait une différence dans les deux pays entre le temps de paix et le temps de guerre?

R Voici. Aux Etats-Unis, on s'attend qu'en temps de guerre les Etats-Unis fournissent un effort militaire beaucoup plus considérable, même que le Canada, et étant donné une certaine structure politique entre deux zones possibles de conflit, il faut qu'ils soient en mesure d'assurer des services militaires des deux côtés à la fois, et il leur faut

Marc Turcotte

une marine plus considérable, proportionnée à l'effort canadien. La part dans l'effort total du Canada a été, je crois, beaucoup plus faible que la part navale a eu dans l'effort de guerre; alors, je trouve tout à fait normal que les proportions ne soient pas les mêmes et qu'on pense qu'au Canada les chantiers maritimes dussent avoir cinquante (50) pour cent de leur activité de temps de guerre en temps de paix.

D Maintenant, je voudrais vous poser certaines questions au sujet de la formule alternative des subsides pour assurer l'activité de nos chantiers maritimes et le maintien d'une flotte de cabotage. Tout d'abord, qu'est-ce que vous pensez de l'argument qu'une politique de subsides permet de répartir plus également à travers tout le pays, sur tous les citoyens canadiens, le coût du maintien d'une flotte et de chantiers maritimes pour fins de sécurité nationale, en ce qui concerne le point de vue économique?

R Il me semble...d'abord, je crois qu'il pourrait y avoir d'autres formules à l'aide, à l'assistance, si l'assistance à notre marine et à nos chantiers maritimes, si cette assistance est nécessaire et souhaitable, je parle du principe de la nécessité de cette aide-là, si elle est versée, les subsides sont une des formules possible, l'aide ou l'assistance à la marine et à la construction navale. Je crois qu'on puisse justifier une politique de subsides du pouvoir central, quand on estime que les services que l'on assure à la société par ces subsides sont nécessaires, sont justifiés par les

Marc Turcotte

arguments de sécurité nationale réelle ou sécurité économique, je ne vois absolument, personnellement, je ne crois pas refléter l'opinion de la Chambre de Commerce à ce sujet-là, mais je ne vois aucune objection à une politique de subsides temporaire pour aider une industrie en particulier, ou une région à se débarrasser disons d'un marasme temporaire.

D Maintenant, voici, nous sommes dans une situation concrète: c'est qu'il y a une proposition de faire à la Commission ici par la Chambre de Commerce de Québec et d'autres groupements également, à l'effet qu'il faut absolument maintenir nos chantiers maritimes et, deuxièmement, qu'il faut avoir une flotte de cabotage. On dit que le moyen pour arriver à cela, c'est de restreindre le cabotage aux navires construits et enregistrés au Canada?

R Oui.

D D'autres gens disent: non, ce n'est pas le bon moyen, parce que vous faites supporter le coût de cette réforme à certaines régions particulières du pays qui n'en profiteront pas, ou du moins pas dans la même mesure que certaines autres régions. Il y a un autre moyen de répartir le coût, c'est celui des subsides, à la place de la protection, et non pas en supplément. Qu'est-ce que vous avez à dire au sujet de cette argumentation?

R Bien, je crois que les deux formules sont une assistance directe ou indirecte à la construction navale, ou à une marine canadienne. Maintenant, personnellement, je crois que la politique de

Marc Turcotte

subsidés serait peut-être plus adéquate, servirait mieux ces fins qu'une politique de protection. Une politique de subsides peut être, en tout cas, arrêtée et contrôlée par une autorité, tandis qu'une politique de protection, quand on impose un tarif, on sait à peu près jamais ce qu'il va donner comme résultat efficace, économique.

D Vous dites qu'il n'est pas évident que le coût d'opération des navires sera plus élevé s'il y avait restriction, ou puis-je m'imaginer que c'est seulement au cas de restriction que vous avez envisagé cette situation-là?

R Oui.

D Si tel est le cas, voyez-vous une raison pour imposer la restriction? Si l'on peut arriver à un coût d'opération dans lequel est incluse la dépréciation, qui constitue tant du coût de construction, et qu'il ne soit pas plus élevé que ce que nous avons actuellement, alors que nous avons des navires britanniques, est-ce qu'il y a une raison pour imposer la restriction?

R La raison est la suivante: c'est que quand il n'y a pas de restriction au cabotage, il y a certainement une certaine restriction sur le cabotage au Canada, mais il y a plusieurs sortes de restriction du cabotage. A l'étranger, il est pratiquement impossible, n'est-ce pas? Alors, je crois qu'il y a une différence du coût d'opération du fait que la dépréciation et les opérations des navires canadiens, parce qu'il y a restriction sur le cabotage canadien ou étranger ne peut pas être répartie sur une même

Marc Turcotte

période et sur des mêmes services, et je crois qu'une diminution de coût, c'est-à-dire une augmentation de coût ne se produira pas nécessairement si nos navires, si l'on construit une marine canadienne de cabotage, celle-ci, une marine canadienne de cabotage, où les navires, les unités seraient affectés à des fins bien spécifiques, comparativement à des navires qui ne servent qu'à des fins générales, où on peut mettre toutes sortes de cargos.

D Pourquoi croyez-vous cela? Est-ce à cause de la production de spécialisation, ou parce que les chantiers ne peuvent pas arriver à les construire?

R Non, le principe...le fait de la spécialisation des unités donnait déjà un avantage assez considérable peut-être pour tout l'avantage du coût.

D Mais est-ce que les chantiers maritimes britanniques ne pourraient pas se spécialiser dans un certain type qui nous serait utile?

R Très probablement.

D Est-ce qu'ils n'arriveraient pas à produire à un coût moins élevé?

R C'est encore très possible et très probable.

D Parce que j'essaie de voir comment vous arrivez à dire qu'il est concevable que le coût n'augmente pas au Canada, si nous imposons une politique de restriction?

R Je maintiendrais, dans une certaine mesure, l'argument de la spécialisation des unités

Marc Turcotte

et aussi je voudrais peut-être souligner le fait que si des commandes continuelles étaient assurées à nos chantiers maritimes, l'efficacité de la main-d'oeuvre augmentera, ce qui veut dire que le coût pourrait diminuer d'une façon sensible, et si des commandes assez régulières provenaient à nos chantiers maritimes, le coût de certaines affectations pourrait être sensiblement réduit du fait des aménagements de nos chantiers ou qui entrent dans l'assemblage de nos chantiers.

D Est-ce que vous concevez qu'on puisse avoir une production suffisamment constante comme celle que vous semblez envisager et que réellement le volume de transport maritime va permettre une construction aussi constante que cela?

R Depuis 1867, on ne conçoit à peu près plus rien en fait de marine. Des théoriciens ne veulent plus se risquer à concevoir un idéal de marine canadienne.

D On parle de cabotage?

R Probablement, je crois que la situation se continuera dans le même sens.

D Vous croyez qu'avec le volume de transport que nous avons, je veux dire le transport maritime, ce serait suffisant pour tenir nos chantiers occupés constamment à la construction de navires de cabotage?

R Je ne crois pas occupés constamment à la construction de navires de cabotage dans les proportions que j'ai indiquées tout à l'heure, c'est-à-dire cinquante (50) pour cent du niveau de l'activité

Marc Turcotte

en temps de guerre, pas...peut-être pas ce niveau-là.

M. MARCEL BELANGER: Merci, Monsieur Turcotte.
Nous allons ajourner à deux heures et demie.

----La séance est levée à 1.03 p.m.



2883

AFTERNOON SESSION

---On resuming at 2.55 p.m.

MR. MUNDELL: The next brief, Mr. Chairman, is presented on behalf of the Geo. T. Davie & Sons Ltd., Lauzon, Quebec. Mr. Roger Letourneau is appearing.

THE CHAIRMAN: Yes, Mr. Letourneau.

SUBMISSION OF GEO. T. DAVIE & SONS LTD.

MR. LETOURNEAU: Mr. Chairman and members of the Commission, Geo. T. Davie & Sons Ltd. did not file a brief with your Commission, most likely for the reason of this:

The Company is a member of the Canadian Shipbuilding and Ship Repairing Association which submitted a forceful and comprehensive brief to your Commission under date of June 30th, 1955. Needless to say, my client fully supports the submissions therein made, as well as its conclusions. There are no witnesses to be heard on our part. As I understand, you visited yesterday the shipyards of our client and we feel that those shipyards can speak for themselves, so that my task here is merely to submit to you some representations on behalf of the Company, with more particular emphasis on the local situation.

It might be of interest to recall that this District of Quebec and Levis, in the last century, was the site of very extensive shipbuilding activities that were carried on along both sides



1 vessels built of wood, of which we then had an
2 abundant supply in this district. A great number
3 of such vessels were built here during that period.

4 On the advent of steamships built of steel,
5 a drastic change occurred in the local situation,
6 and great efforts were required to maintain the
7 industry under the new conditions. That was more
8 particularly so in the case of the Davie family,
9 who spared no expense and no effort in organizing
10 and operating and maintaining shipyards along
11 modern lines. The Davie family is responsible for
12 those two shipyards you visited yesterday, one of
13 which is owned by Davie Shipbuilding Limited and
14 the other by Geo. T. Davie & Sons Ltd.

15 On the other hand, it is less gratifying,
16 however, to note that those are the only two
17 remaining shipyards of importance in our district.
18 For a number of years we had operated a third ship-
19 yard here in Quebec at the mouth of the St. Charles
20 River, a substantial shipyard which was operated
21 by the Morton Engineering & Dry Dock Co. Limited,
22 which had to be closed some years ago and sub-
23 sequently was converted to other industrial uses.
24 I think that example of the modern shipyard
25 illustrates the very great difficulties that our
26 shipyards have been and still are facing.

27 Of course, we also have, as you know, some
28 secondary yards, such as those operated by Davie
29 Brothers Limited at Levis and Les Chantiers
30 Maritimes St. Laurent Ltée, at St. Laurent,



1 Island of Orleans, which are engaged in the building
2 or repairing of schooners and other local craft,
3 being small yards.

4 Let us now briefly examine the local economic
5 and social importance of our two large shipyards.
6 First of all, the capital invested by Geo. T. Davie
7 & Sons Ltd. in lands, buildings, plant, machinery
8 and equipment, may be fairly estimated at an
9 aggregate sum of \$3,350,000, of which more than
10 \$525,000 was so invested during the past four years.
11 The capital investment of our neighbour, Davie
12 Shipbuilding Limited, is substantially larger than
13 ours. There are also the Lorne and the Champlain
14 Dry Docks, which are owned by the Canadian Govern-
15 ment and which lie east of our shipyards, and also
16 they represent an investment of several million
17 dollars.

18 Those figures, while large in themselves,
19 must, however, be viewed in their relative impor-
20 tance to the total capital invested in industrial
21 plants located in Levis and Lauzon. They must be
22 reviewed in relation to the importance of the whole
23 district of Quebec and Levis and, although we have
24 no precise statistical data in this respect, we
25 have reasons to believe that the capital invested
26 in the two shipyards and the two dry docks above
27 mentioned, constitutes more than 90% of the total,
28 which clearly indicates their enormous value to
29 the communities of Levis and Lauzon.

30 Now, as far as my client is concerned, it



1 currently has on its payroll some 500 workers. Not
2 so long ago, in January, 1953, it had as many as
3 1200 employees. During the war, in the years 1943
4 and 1944, it reached the peak total of 1650 workers
5 and during the post-war period the figure was 1265,
6 which was reached in 1948. Here again, the labour
7 force of Davie Shipbuilding Limited is, of course,
8 substantially larger than ours, but on top of that,
9 it is well known that the shipbuilding industry,
10 to a considerable extent, consists in assembling
11 materials fabricated by other industries, so much
12 so that we estimate that the materials contained
13 in the finished product represents about 60% of
14 the cost of the finished product.

15 As a result, through the large sums that are
16 expended by our shipyards in the purchase of
17 materials and supplies, they certainly contribute
18 indirectly to the substantial labour force employed
19 and we feel justified in stating that the labour
20 directly and indirectly employed by the two yards
21 constitutes approximately 90% of the total
22 industrial labour force of the Cities of Levis
23 and Lauzon.

24 This may be better illustrated by the
25 following payroll statistics. These statistics
26 were obtained from the Dominion Bureau of Statistics
27 and the latest available figures, which we have,
28 cover the years 1952 and 1953, and they show the
29 following. The total payrolls of large manufac-
30 turing industries in the Cities of Quebec and



1 Levis were as follows:

2 In 1952, for Quebec City, \$36,593,961;
3 in Levis, for the same year, \$1,076,941, and
4 for the two Davie shipyards, the figure was
5 \$7,425,004.

6 For the year 1953, the figures were as
7 follows:

8 The total industrial or manufacturing pay-
9 rolls in Quebec City for that year were \$40,543,039;
10 for the City of Levis they were \$1,042,670, and for
11 the two Davie shipyards the figures were \$11,320,785.

12 We are unable to give you the exact figures
13 of the payrolls for the City of Lauzon, for the
14 reason that the payrolls of the two shipyards rep-
15 resent more than 99% of the total payrolls of Lauzon
16 and the Dominion Bureau of Statistics, as we under-
17 stand it, do not issue figures in those cases where one
18 or two industries represent more than 99% of the
19 total, so that is why I have given you the figures
20 for those two shipyards.

21 Those figures show that in 1953 the two Lauzon
22 yards represented approximately 21% of the total for
23 Quebec, Levis and Lauzon, and 91% of the total for
24 Levis and Lauzon only. The corresponding propor-
25 tions in 1952 were respectively 17% for Quebec,
26 Levis and Lauzon, and 88% for Levis and Lauzon
27 only. As I have said, in both years they were 99%
28 of the total for Lauzon only.

29 The foregoing figures, I feel, are con-
30 clusive evidence of the tremendous economic and



1 social importance of those two shipyards to the Cities
2 of Levis and Lauzon, and it is well known, of course,
3 that a great number of our workers do spend a sub-
4 stantial part of their wages in the City of Quebec,
5 which is right across the river. Then, too, the
6 shipyards themselves expend considerable sums in the
7 purchase of materials and supplies. That is done
8 in the City of Quebec, and the fact is that there are
9 very few heavy industries in this part of the Province,
10 in the whole district of Quebec, so much so that there
11 are almost no industries in this district and our
12 workers can hardly look to any other industries for
13 re-employment whenever they should no longer be able
14 to work for the shipyards.

15 Now, you take the case also of the City of
16 Lauzon itself. The municipal and school authorities
17 of Lauzon are certainly most interested in the
18 operation of our shipyards. This will be seen by the
19 following figures, that the real estate value of
20 the two shipyards represents some 27% of the total
21 assessed value of all the taxable real property
22 located within the city. If you lump together the
23 figures of the two shipyards and those of the two
24 drydocks, the latter, of course, being non-taxable,
25 you would arrive at a figure of 45% of the total
26 assessable and non-assessable property in the City
27 of Lauzon.

28 Well, it is quite obvious that if the two
29 shipyards ever had to terminate their activities
30 and dismantle their plants, the City of Lauzon



1 and the whole district would face an impossible
2 situation.

3 These are submissions we wanted to make as far
4 as the local situation is concerned.

5 Now, despite my limited knowledge of the sub-
6 ject and the lack of statistical data or expert
7 assistance in the field of economics, I think I may
8 venture for a few moments into the field of an examina-
9 tion of some broader aspects of the problem. There
10 is, first, the basic question whether our ship-
11 building industry should be allowed to survive.
12 Well, as far as that question is concerned, we
13 feel that the brief already filed by our Association
14 and also the Second Report of the Canadian Maritime
15 Commission for the year ended June 30, 1949,
16 thoroughly makes a case for the maintenance of the
17 shipbuilding industry and we are even assuming that
18 your Commission is satisfied that our industry is
19 not -- that our industry has to be maintained.

20 Of course, we know that there are some wish-
21 ful thinkers who can hardly cast their eyes on an
22 industry which appears to be unable to stand on its
23 own feet. In their narrow-minded opinion, every-
24 thing boils down to a matter of dollars and cents.
25 We feel sure, however, that your Commission will
26 not overlook the far more serious political and social
27 problems involved. After all, we must expect to pay
28 the price for the privilege of being a self-
29 sustaining nation and preserving our national
30 entity and standards. Would the building of our



1 transcontinental railways and the costly service of
2 a wholly Canadian radio and television network
3 find their justification by the mere yardstick of
4 economics? Are not most of our industrial plants
5 unable economically to compete with foreign industries,
6 unless they are adequately protected by such devices
7 as customs duties?

8 How can we hope our country to be ever fully
9 integrated, self-sufficient and able to support an
10 ever expanding population unless we are indeed pre-
11 pared to bear the cost of maintaining such industries?

12 If the need for the shipbuilding industry is
13 recognized, and we feel confident it is, it seems to
14 me that the problem is for us all to ascertain the most
15 effective and least costly means of assuring its
16 maintenance, and in this respect I would like to have
17 the members of this Commission look at some of the
18 alternatives. The first one might be termed increased
19 efficiency and some may consider that the ship-
20 building industry should find its survival in
21 increasing its own efficiency. Well, to this we say
22 that, first of all, our shipyards have gone a long
23 way in reducing unnecessary costs and increasing
24 production efficiency. While this process will also
25 be going on in the future and every attempt will
26 be made to take advantage of every technological
27 development, this by itself is utterly insufficient
28 to permit our shipyards successfully to compete
29 with the shipyards operating in such countries as
30 the United Kingdom, Germany, France, Italy and Japan,



1 where the standard of living and the level of prices
2 and wages are so much lower than they are in Canada.

3 Another alternative also might be called repair
4 work, but it should be quite obvious that our industry
5 cannot subsist on mere repair work, however essential
6 such work may be. Repair work is too casual and
7 uncertain to permit the effective maintenance of a
8 permanent and qualified labour force. Repairs to
9 deep-sea foreign vessels are only done in Canada in
10 cases of emergency and certainly cannot be a realiable
11 source of work. It is known, for instance, that the
12 ocean ships of such a company as Canadian Pacific
13 Steamships, outside of emergency repairs, carry out
14 all their periodical overhauls and conversions in
15 United Kingdom shipyards.

16 On the other hand, shipping on our inland or
17 coastal waters would hardly be possible if repair
18 facilities were not readily available at strategic
19 locations all along the route, and since, in our view,
20 the ship repairing industry cannot be divorced from
21 the shipbuilding industry, this is by itself a very
22 strong reason for the maintenance of the latter, or
23 shipbuilding industry.

24 Now, we can ask ourselves: are there any
25 other sources of revenue that our industry has?
26 Well, here I may refer to the Second Report of the
27 Canadian Maritime Commission, based on 1949 costs
28 which have substantially increased since then, and
29 it reads:

30 "The shipbuilding industry must find



1 "\$28,000,000 worth of new building annually to
2 "preserve the required nucleus of skilled
3 "labour."

4 Such new building can only come from three
5 sources, namely, "building for domestic order,
6 including deep-sea, lake and coastal, building for
7 foreign order, and building of naval and departmental
8 vessels for government service."

9 Well, let us look at each of them for a moment.
10 Building for foreign order appears to be out of
11 question, because according to our information the last
12 export order received by any Canadian shipyard was in
13 April, 1947.

14 Building for government service has so far been
15 certainly of substantial assistance, but it is most
16 likely to be declining from year to year in the fore-
17 seeable future.

18 We are therefore left, to a very large extent,
19 with the third and last source of revenue, namely,
20 building for domestic order, whether deep sea, lake
21 or coastal.

22 The virtual disappearance of Canada's deep sea
23 fleet not only makes the lake and coastal fleet the
24 backbone of our merchant marine, but it also leaves
25 that coastal fleet as the only remaining reliable
26 source of work and revenue for our shipyards, apart,
27 of course, from naval and government work, and
28 government assistance, so that, to all intents and
29 purposes and apart from direct government work or
30 assistance, we respectfully submit that the only



1 available source of revenue to our shipyards is the
2 construction and repair of ships engaged in the
3 coasting trade and lake vessels.

4 Now, having regard to present conditions with
5 respect to wage rates and price levels, the question
6 seems to be, how can we possibly assure the ship-
7 building industry the required revenue out of the
8 building and repairing of coastal vessels without
9 government assistance, and if such assistance were
10 required, what would be the most effective and least
11 costly form of such assistance.

12 There are some who like to look to certain
13 devices such as, for instance, customs duties, some
14 form of licence, licensing or some form of discrimin-
15 atory tolls, which we believe should be immediately
16 discarded in the present case. Some people would
17 look to these as being an adequate form of government
18 assistance, but I think we would all agree that in
19 the present case at least, none of these devices
20 would serve a useful purpose. They do not appear to
21 be a realistic remedy and most likely would do a lot
22 more harm than good, and so I turn to the method of
23 assistance which has been mentioned quite often,
24 that of direct subsidies.

25 Well, while we are not prepared to take any
26 definite stand for or against direct subsidies, we
27 do feel that we should first experience the practical
28 effects of the proposed coasting trade restrictions
29 proposed by our Association. As I say, as far as
30 these subsidies are concerned, we are not prepared



1 at this stage to take a definite stand for or against
2 them.

3 Before giving further thought to the matter
4 of subsidies, and this brings me to our conclusion,
5 which is the conclusion contained in the brief of the
6 Association, namely, that the best and least costly
7 form of government assistance at the moment would be
8 by restricting our coasting trade to vessels built
9 and registered in Canada, I should say that we know
10 there are some objections to our proposal. Perhaps I
11 might briefly refer to two or three of those objec-
12 tions.

13 There are some who insist upon the necessity of
14 preserving free trade and freedom of the seas. Well,
15 as to free trade, if we look at the present world
16 conditions, it seems to me that the proponents of
17 free trade can only be wishful thinkers or museum
18 relics of the Victorian Age. Even the strongest of
19 all nations, the United States of America, would not
20 even think, at least at the moment, of resorting to
21 free trade, complete freedom.

22 As to the so-called freedom of the seas, it
23 must be remembered that we are here dealing with
24 inland or coastal waters. Can Canada afford the
25 luxury of permitting free use of such inland waters?
26 Have we ever thought of allowing free access to our
27 other natural resources such as our forests and our
28 mineral and oil deposits? Are we not prepared to
29 pay the price, as a nation, to control the diversion
30 of Canadian waters flowing into the U.S.A. and to



1 realize the pipeline transportation within Canada of
2 our Western oil?

3 If those are deserving objects, is there any
4 valid reason for opposing the restricted use of our
5 inland waters for the benefit of our industry and our
6 people?

7 After all, transportation in all its forms is
8 strictly regulated in Canada as well as in nearly all
9 other countries. If we are not mistaken, foreign
10 operators are not presently allowed; except by water,
11 to carry goods or passengers from one point in Canada
12 to another point in Canada, except in special circum-
13 stances. Why should we deny the same protection to
14 water transportation?

15 There is no reason why we should be ashamed
16 of restricting our coastal trade. Since as far back
17 as 1817, this has been and still is the policy of our
18 friendly neighbour to the South, and even Great
19 Britain resorted to the same principle until such time
20 as it had built up the greatest of all merchant fleets
21 and made sure that its shipyards could successfully
22 compete with all comers. Most other countries, with
23 lower standards of living than ours, found it advis-
24 able to set up such restrictions.

25 Now, I notice in the brief of the Chamber of
26 Commerce of Quebec here some figures that mention
27 that, according to it, the coasting trade in Canada
28 is carried on by more than 2,000 vessels manned by
29 more than 15,000 crew members, and that the coast-
30 ing trade ranks 24th among our 87 principal



1 industries as a source of direct and indirect employ-
2 ment. Such figures are impressive enough to underline
3 the merits of our case.

4 It is true that the same brief points out that
5 at the moment nearly 95% of the coastal trade is
6 carried in Canadian bottoms, but there is serious
7 reason to believe that this proportion will sub-
8 stantially decline in coming years, more particularly
9 after the Seaway has been completed.

10 On the other hand, we feel that if restrictions
11 are to be imposed on coasting trade, now would be
12 the proper time to do so, when not more than 5% of
13 such trade is being carried on by non-Canadian
14 vessels that are free from Canadian taxation, which
15 employ non-Canadian crews and purchase most of their
16 stores and supplies outside Canada; whereas the taxes
17 and wages that would be paid and the purchases made
18 by our own operators would offset by so much any
19 possible cost of the proposed restrictions. In other
20 words, in the case of the Canadian vessels, the wages
21 paid for operation, the taxes and the purchases made
22 would benefit the Canadian economy.

23 Before concluding, I might perhaps read to you
24 a little poem that was given to me and which is said
25 to carry a big thought. Here it is:

26 "God and the shipbuilder we adore

27 "In time of danger, not before;

28 "With the danger passed, and all things
29 righted,

30 "God is forgotten and the shipbuilder
slighted."



1 MR. MUNDELL: I am not quite certain as to what
2 procedure should be followed this afternoon in view
3 of the form of the submission, but I wonder if I could
4 ask a few questions?

5 MR. LETOURNEAU: Oh, yes, the president of the
6 company, Mr. Delagrave, and the general manager, Mr.
7 Paquette, are here for that purpose.

8 MR. MUNDELL: Oh, thank you.

9 I wonder if, for the record, we could, in
10 addition to the view that the members of the Commission
11 had of the shipyard, have a description of the
12 operations of the shipyard, having in mind what you do
13 in addition to shipbuilding, if anything.

14 MR. DELAGRAVE: Our shipyards, the business of
15 our shipyard is restricted solely to building ships
16 and repairing ships. We have started a department
17 lately where we hope to have some plate work, but
18 until this time we have never done anything else but
19 shipbuilding and ship repairing.

20 MR. MUNDELL: Q. Could you give a breakdown,
21 or possibly this might be a better question: could
22 you give a breakdown as between the work provided
23 by your repair and the work provided by your complete
24 operations? I think probably we should ask for it
25 by a written letter to you, a breakdown of the
26 number of men employed, the payrolls and the value
27 of the work done. Could we write you for that?

28 A. We certainly would be pleased to supply
29 the information, but we haven't got it now.

30 Q. Then we will be in touch with you.



1 As you know, Mr. Chairman, there is the usual
2 questionnaire which is going to all the shipyards and
3 that is why I will not be asking many questions on
4 this point, because we are going to follow it up
5 with a questionnaire.

6 Can you give the Commission your views of the
7 possible effect of the St. Lawrence Seaway on your
8 business, or do you see any effect particularly?

9 A. Well, we foresee some effect. We feel
10 that the St. Lawrence is going to be busier, and by
11 being busier there could be more ships to repair.
12 Those are the effects that we foresee, more traffic
13 in the St. Lawrence and being more traffic there
14 should be more casualties, and that will automatically
15 bring us a little business, but solely in the ship
16 repairing end of the business.

17 Q. You would not expect to get any construc-
18 tion on the Lakes, bigger vessels erected and going
19 into the Lakes?

20 A. Not now.

21 THE CHAIRMAN: Q. Would you not be able to
22 compete? At the present time, the Upper Lakers
23 would be built here, but you could not get them to
24 the Upper Lakes. Now, in 1959 they could be built
25 here and taken to the Upper Lakes, so why would you
26 not be prepared to bid on that kind of job?

27 A. Well, sir, we will be prepared to bid,
28 but I don't think we will have any chance of getting
29 that business, if they can build them anywhere else.

30 Q. Let us confine it to Canada for the



1 moment.

2 A. If it is restricted to Canada, certainly
3 we could get some of that business.

4 Q. I point out to you that you have the
5 lowest wages in this area, have you not?

6 A. That is correct.

7 Q. I am thinking about competing with Port
8 Arthur, the shipyards there. You would have the
9 advantage of the wage differential and I suppose you
10 say you know a little about shipbuilding, you have
11 been at it for quite a while and you would be ready
12 to compete on an even footing then?

13 A. That's right. The only advantage they
14 would have there is that they have already been into
15 that building of large ships and we will be starting.

16 MR. MUNDELL: Q. Then I note in the submission
17 on behalf of your Association and by other shipbuilders
18 in connection with the desirability of maintaining the
19 shipyards that there are skills that would be lost if
20 your shipyards were not maintained with an adequate
21 amount of work to keep them busy. Would you care
22 to comment on that? What is your view?

23 A. You mean ---

24 Q. Could I put it this way: what specialist
25 skills are there in shipbuilding that, in time of
26 emergency, could not be acquired from some other
27 source, the electrical industry or ---

28 A. Certainly you could not -- you said the
29 electrical industry, for instance. You could not
30 take electricians from the general electrical



1 business and bring them into a shipyard and expect
2 them to be able to do that work.

3 Q. Why not?

4 A. Because it takes electricians that are
5 specialists in that kind of business. It is not the
6 same, and now, with the development that is taking
7 place in electronics and with all the changes there are
8 in the electrical department of a shipyard it is more
9 necessary than ever that these electricians be
10 specialists on ships. If they have been trained to
11 work around a house or an apartment or something of
12 that kind, that sort of building, that does not mean
13 they are going to be able to do that in a shipyard.
14 Eventually they will learn it, but at the beginning
15 there is going to be a terrific amount of lost time.

16 THE CHAIRMAN: I do not think Mr. Mundell is
17 thinking of a person who would be a domestic installer
18 of electrical equipment. He is thinking of a much
19 more skilled person than that, an employee in Westing-
20 house, for instance, who is used to setting up the
21 very machines that are shipped down into Quebec and
22 are put into your ships, and we are thinking in terms
23 of a time of emergency. Why would not that man, who
24 is available to you, who is sent to you, because
25 we would all be available in a time of emergency,
26 be acceptable to you, and why would he have to be
27 separately considered? Why would he have to be
28 separately considered in a nucleus as to the
29 electrical part of a shipyard? Supposing he were
30 working on television receivers for Westinghouse,



1 for instance.

2 MR. MUNDELL: Q. What I am really thinking of
3 was the comment that is made about the shipbuilding
4 industry given by shipbuilders, that it is really an
5 assembly plant activity.

6 A. That is right. It is not so much an
7 assembly job. We get the motors from Westinghouse,
8 like the Judge says, but we have to connect those up,
9 and it is the wiring of these ships that is complicated,
10 and it is on the wiring that ordinary electricians
11 cannot be used, they cannot do it, and naturally, in
12 my view, that is why we need a certain nucleus of
13 electricians who are very well aware of wiring a ship
14 and installing this complicated equipment.

15 Then, if you had the nucleus, you could get
16 electricians from other industries and then you would
17 be able to go ahead; but if you did not have that
18 nucleus, you would be lost for maybe years, because it
19 is certainly a specialized electrical work.

20 Q. Would it be inconvenient to ask you to
21 do this: could you let the Commission have a list of
22 the occupational classes of employment in your yard,
23 with a brief sketch of their duties? Take, for
24 instance, the designer. Obviously you would not have
25 a ship designer in some other form of business, and
26 probably the loftsmen, and what I have particularly
27 in mind is the classification of people it would be
28 difficult to replace and that sort of thing.

29 A. Well, there would be the loftsmen,
30 machinists, the pattern maker.



1 Q. The machinists could not be replaced?

2 A. You don't pick machinists up just like
3 that. We cannot get machinists even to-day, so if
4 we had to double our number of machinists that we
5 have in the yard, we just could not do it.

6 THE CHAIRMAN: But we are speaking of an
7 emergency situation. You want to get them. If they
8 exist, they will be sent to you. Now, we want to
9 know whether they exist, available to you, or why,
10 if they are not in the shipyards, they do not exist.
11 Is that not it?

12 MR. MUNDELL: Well, it is interesting in con-
13 nection with your yard, because it does no other work.

14 THE CHAIRMAN: Yes.

15 MR. MUNDELL: Q. I thought it would be useful
16 to have that information from you, how the occupational
17 classes in your staff ---

18 A. Well, there is carpenters, carpenter
19 dockers, you could not get them out of any other
20 industry, and the caulkers. We could let you have
21 a list, certainly.

22 Q. And include those that are really
23 specialists?

24 A. Yes. There is quite a number of trades
25 you would not find in any other building operation.
26 Ventilation of a ship comes in there. Ventilation
27 of a ship is not the same thing as putting ven-
28 tilators in a building. The pipe fitting is the
29 same; you cannot take pipefitters from other
30 building trades and bring them in and expect them



1 to be able to do your job.

2 Q. Are there no other industries ---

3 A. Well, they will do some of it, but my
4 thought is that trades that we employ are impossible
5 for some people that do not work in shipyards, people
6 that we would have to have if we want to meet the
7 emergency.

8 Q. Well, could you let us have a list on
9 that of the occupational classifications and indicate
10 how many men you have in each?

11 A. Yes.

12 Q. By the way, you have had one experience
13 in expanding rapidly during the last war. What did
14 you find in connection with your specialist trades
15 then?

16 MR. PAQUET : We had to train a lot of them
17 and the result was that the progress of work was not
18 as good as it should have been.

19 MR. MUNDELL: How many men did you have in
20 1939? Do you remember?

21 MR. DELAGRAVE: We had about -- the lowest, you
22 mean?

23 MR. MUNDELL: Well, in 1939.

24 MR. DELAGRAVE: I would say 175, maybe, or 200.

25 MR. MUNDELL: And during the war what was
26 your peak?

27 MR. DELAGRAVE: We went up to 1650.

28 MR. MUNDELL: When did you reach your peak?

29 MR. DELAGRAVE: 1943 to 1944.

30 MR. PAQUET : It took five years.



MR. MUNDELL: (To Mr. Delagrave) Q. How many
1 did you have in 1940?

2 A. I would say about 250, I suppose.

3 Q. And in 1941?

4 A. Oh, that is quite a job; maybe 1000 men.

5 Q. And 1942?

6 A. Well, 1200, 1300, 1400.

7 Q. Do all the occupational classifications
8 expand on an even rate in times of emergency?

9 A. No, it depends on the trade, of course.

10 If I might add something, the ships that are
11 being built to-day and will be built in an emergency
12 are much more complicated ships than during the war
13 of 1939 to 1945.

14 Q. Would you expect that to be so in the
15 case of cargo ships in time of emergency?

16 A. That would apply to every type of ship
17 that is built.

18 Q. Even in time of emergency?

19 A. That's right, because I think the
20 Canadian shipyards' duty during a new war would be a
21 lot heavier duty than it was in the last war, because
22 now we will be expected to make the plan, prepare the
23 drawings and settle the problems.

24 Q. Why do you say that?

25 A. Because that is the new policy; that is
26 the way it is being done. In Canada we are
27 trying, apparently, the Government and everybody
28 concerned, are trying to make this country self-
29 sufficient, in a way, and while they spent all this
30



1 money on design in building certain vessels in Canada
2 it is probably because in the next war they are
3 scared that the other countries which might be closer
4 to the war than they are will be destroyed, so then
5 they won't be able to do what they did in the other
6 one, so I suppose there must be the answer there,
7 because they are not spending all this money for
8 nothing.

9 Q. That statement has been made before,
10 that in the next emergency the ordinary cargo vessel
11 that will be built by the shipyards will be much more
12 complicated than the last ones, and I do not under-
13 stand why you would expect it to be much more
14 complicated.

15 A. The reason, I imagine, is that we are
16 now in 1955 and there has been a lot of developments
17 since 1939 and 1940. Fifteen years have passed and
18 there have been big developments every year and the
19 ships that are going to be built in an emergency are
20 going to be much more complicated in five or ten
21 years than they are to-day, because there are a lot
22 of new things that have come about.

23 Q. Wasn't the cargo vessel, the last time,
24 a pretty much stripped down vessel, something that
25 would run?

26 A. Well, they built the vessels that had
27 been already designed, copies of them.

28 Q. Why wouldn't you expect that this
29 time?

30 A. There hasn't been any vessels designed



1 this time so far, and the ones that are designed now
2 are prototypes.

3 Q. I am talking of cargo vessels, not naval
4 vessels.

5 A. What is your question?

6 Q. Why would you expect those vessels, in
7 the next emergency, to be much more complicated?

8 A. Just because the cargo vessels that are
9 now being produced are more complicated.

10 Q. But it could be done by a common design
11 in shipbuilding, I take it? There is no reason
12 why that should not be done, or is there?

13 A. If they are satisfied with that design,
14 I suppose it would be.

15 Q. Now, coming to your specific recommenda-
16 tions, you say that you believe that such outdated
17 protective devices as customs duties, licences or
18 discriminatory tolls should be immediately discarded
19 in the present case. You say they are not a realistic
20 remedy, that they would cause a lot more harm than
21 good. Why do you say that? Why would not a good
22 rousing duty on foreign vessels be a satisfactory
23 protection? I do not understand why you say it is
24 outmoded or unrealistic.

25 MR. LETOURNEAU: Because I visualized customs
26 duties as being applicable to the commodity and
27 that sort of thing, in the regular way; but when
28 it comes to the case of a ship or a car or railway,
29 I do not very well see what customs duties can be
30 applied.



1 MR. MUNDELL: I am sorry. I understand.

2 MR. LETOURNEAU: That is what I had in mind
3 in drafting that paragraph.

4 MR. MUNDELL: Then you suggest protection, or
5 reservation, rather, of the coasting trade to
6 Canadian bottoms, and I would just like to be sure
7 on exactly what footing you put forward that request.
8 Is it solely on defence or have you any other
9 reason?

10 MR. LETOURNEAU: It is certainly mostly on
11 defence. It is already in the Association's brief
12 and, on top of that, we try to set up also the
13 importance of the shipyards to the district as a
14 whole, but it boils down, I think, to a matter of
15 national defence, in the end.

16 At the same time we feel it would serve the
17 wellbeing of our communities here, if those indus-
18 tries could be maintained.

19 MR. MUNDELL: Well, would it be fair to say
20 that if there were no defence requirements or
21 security requirements of a shipbuilding industry
22 that the local interests would justify the policy
23 you suggest?

24 MR. LETOURNEAU: That is a hard one. I am
25 not prepared to make a statement like that.

26 MR. DELAGRAVE: The figures that Mr.
27 Letourneau put forth this afternoon show clearly
28 that if the two shipyards do not operate, whether
29 it is for defence or for something else, there is
30 going to be a terrific change in the economy of



1 this region, and to quote those figures again, in 1952,
2 in the manufacturing industries in the City of Quebec,
3 you will see that the wages which were paid were
4 \$36,000,000 and in the City of Levis they were
5 \$1,000,000, and for the two Davie shipyards they were
6 \$7,400,000. Well, we said that that was a percentage
7 of 21% of the total. Then, in 1953, it is a little
8 more than that, \$40,000,000 paid in the City of
9 Quebec, \$1,000,000 in the City of Levis, and \$11,000,000
10 in the two shipyards.

11 From just a purely economic standpoint in this
12 region, it seems to me it is pretty important for
13 those shipyards to keep going.

14 MR. MUNDELL: Q. You would say that that is
15 sufficient justification ---

16 A. I would put it as an added justification,
17 apart from defence.

18 Q. As you know, the Commission has heard
19 representations in other parts of the country and have
20 you given any thought, for example, to the effect
21 that might have on Newfoundland?

22 A. No, frankly, no.

23 Q. Maybe I should put the question another
24 way: do you think this sort of protection would
25 raise the costs of transportation, or have you
26 studied that?

27 A. No, I haven't studied it.

28 THE CHAIRMAN: Put it this way: will it
29 either raise the cost of transportation or will it
30 prevent the cost of transportation going as low as



1 it should be expected to go after the completion of
2 the Seaway? Perhaps that may be the question.

3 MR. DELAGRAVE: Well, I am not an expert ---

4 THE CHAIRMAN: Well, you surely want the pro-
5 tection, so you want them to compete with cheap ships
6 built elsewhere, and what I am asking is whether the
7 cost of transportation would go as low as it would
8 otherwise go; and I put it to you that the problem
9 this Commission has is that it will not do you any
10 good to have complete protection for the manufacture
11 of your ships if you cannot sell your ships, and if
12 you cannot sell your ships -- you can sell your ships
13 only if somebody is going to buy them, if somebody
14 is going to buy them and be able to use them in the
15 carriage of goods, and if you cannot cut the cost of
16 transportation of the big trade, which is the grain,
17 if you get the cost of transportation of grain any
18 higher than it is at the present time, Canada cannot
19 sell its grain now, and if it cannot cut its costs
20 materially it is not going to be able to make the sale
21 of grain. It is going to be sold some time or other
22 but that is not satisfactory for a man who is trying
23 to get grain from a country elevator in Alberta.

24 MR. MUNDELL: There is the B.C. Forest Products
25 who are in the same position in the pulp and paper
26 industry. They put forward the same argument,
27 that any increase in the costs will cut their
28 market abroad, where they do sell their products,
29 or that it might have a much more serious effect
30 on the general economy than any unfortunate



1 effect in your industry.

2 I was wondering if you had considered those
3 factors.

4 MR. DELAGRAVE: We had not gone into that in
5 great detail because we understood that the cost of
6 transporting grain would be going down five cents,
7 chiefly as a result of the seaway. He did not say
8 if they were restricted to Canadian ships that that
9 would happen, and he did not say whether it would
10 happen if it was free. He just said the net result
11 would be that the rates for grain would go down
12 five cents.

13 THE CHAIRMAN: Well, we have been assured by a
14 submission of your Association that regardless of
15 whether there is a restriction or not, the costs of
16 carriage on the Great Lakes will be reduced, but will
17 they be reduced enough to let them successfully
18 compete in the world market, because at the present
19 time they are not.

20 MR. DELAGRAVE: Well, frankly, I am afraid
21 I can't answer that question.

22 THE CHAIRMAN: Well, that is a question we
23 are going to have to answer and, to use a phrase
24 that is in common use to-day, I think it is the
25 \$64 question.

26 MR. DELAGRAVE: Except that wheat will not
27 sell any higher because of the St. Lawrence
28 Seaway. The costs of transportation, of course,
29 might not be as low as if the coastal trading
30 were not restricted; that is something that we do



1 not know.

2 THE CHAIRMAN: Well, there are other factors,
3 the factor that you have in your Association brief --
4 no, that is in another brief on stable rates, which
5 I think is a very important factor.

6 MR. MUNDELL: Q. Now, in this submission you
7 do not take a very strong view either pro or con on
8 payment of a subsidy. I wondered why a construction
9 subsidy might not meet all the difficulties that you,
10 as a shipbuilding industry, might foresee, without
11 having to have the protection. Do you think it would
12 meet all your difficulties?

13 A. Well, we know, of course, in the United
14 States they have that form of assistance to the
15 shipyards and we declare here that we are not against
16 subsidy except that we feel it is a very much more
17 complicated way of protecting the industry. We think
18 that the restriction of the coastal trade is a less
19 complicated way, but we are not sure that the
20 restriction of the coastal trade is going to be
21 enough; we hope it is going to be enough.

22 Q. Have you made any estimate of what you
23 might expect to get in the way of shipbuilding, if
24 the coast trade was restricted?

25 A. We have not given any estimate of what
26 we expect to get, except that we know right now
27 that in the last three years there has been quite
28 a number of coastal ships that have been built
29 outside of Canada, and, after all, there is only
30 17 shipyards in Canada, and if there are only



1 eight or ten ships being built outside of Canada to
2 operate in coastal trade, if they were constructed
3 in Canada the shipbuilding industry would certainly be
4 in a lot better shape.

5 Q. Would you expect to get business for
6 ocean-going building at all?

7 A. Well, that is the easiest one I have been
8 asked to give to-day.

9 Q. I mean, ocean-going coasting.

10 A. Oh, you have changed it. That was too
11 easy, was it?

12 Q. I am sorry. What I am trying to get at
13 is this: let us leave the lake shipping out of the
14 picture. Would you expect construction -- would you
15 expect protection of the coasting trade to give you
16 much shipbuilding, apart from lakers?

17 A. Upper lakers?

18 Q. Or canallers; would you expect to get
19 much building from that source?

20 A. From another source than lakers, upper
21 lakers, is that what you mean?

22 Q. Yes, or general use in the Lakes.

23 A. Well, we believe that the ships which
24 are going to be built in the future as the result of
25 the St. Lawrence Seaway are going to be large ships
26 which are going to be somewhat similar to the upper
27 lakers. There will be a limited number of smaller
28 ships that will operate on the coast but not on
29 long hauls.

30 Q. What I really should have said is,



1 do you expect this protection will result in much
2 shipbuilding, apart from the lakers, or are you
3 looking mainly to the lakes for your building?

4 A. Well, we expect that there is going to
5 be a lot more coastal trade done in Canada, that is,
6 first of all, what we expect in here, there is going
7 to be a lot more coastal trade done and I would believe
8 that there will be a greater need for ships of a
9 different kind than there are here, that is what I
10 believe.

11 Q. So you do think there would be ---

12 A. I think there is going to be more,
13 certainly. That is just an opinion.

14 Q. But you cannot give any figures or
15 analyses which would support that?

16 A. No.

17 Q. I suppose it would be possible, and I
18 think the Commission will have to undertake the
19 problem and get the information from the shipbuilders
20 -- it might be possible to predict how many ships
21 would be required for lake purposes in the future,
22 and would this be a possibly correct impression, that
23 as they build bigger lakers they will be able to
24 replace those presently existing vessels with the
25 bigger lakers, or would you expect much building
26 from the Lakes, even?

27 A. Well, that all depends on how much is
28 going to be done. It depends on trade. They are
29 not going to build ships to carry nothing. They
30 are going to build them to carry what there is to



1 carry, and the development that is taking place now in
2 this region would seem to justify the thought that
3 there is going to be a lot more goods and material to
4 carry and therefore there should be more ships.

5 I cannot say -- I don't believe that the
6 present fleet in the Lakes can take care of all
7 that transportation.

8 Q. But you cannot say how much building you
9 would anticipate?

10 A. No.

11 Q. And in fact I think you said a moment
12 ago you could not say whether this protection would
13 help?

14 A. Well, we are sure it is going to help.

15 THE CHAIRMAN: Whether it is going to help
16 enough.

17 MR. MUNDELL: Yes.

18 MR. DELAGRAVE: Whether it is enough.

19 MR. MUNDELL: I think, Mr. Chairman, in view
20 of the fact that we are going to submit a question-
21 naire to all the shipbuilders, that I do not think
22 I need to ask any further questions now.

23 THE CHAIRMAN: Thank you. Just a moment. Mr.
24 Wickwire wishes to ask a question.

25 COMMISSIONER WICKWIRE: I have just one
26 question. Would you care to give us an estimate
27 of the number of men you deem necessary in order
28 to maintain an integrated shipyard?

29 MR. DELAGRAVE: Well, it depends on the size
30 of the yard.



1 COMMISSIONER WICKWIRE: Your yard.

2 MR. DELAGRAVE: If it is my yard, I think I
3 can give you that, yes. As you know, the Maritime
4 Commission has put out a figure in 1949 that they
5 thought the nucleus in the different shipyards should
6 be about 7,000, and I am very glad to have you ask me
7 that question, because I do not think that is a
8 realistic figure, for the following reasons: it is
9 my information that in that figure of 7,000 they
10 included office workers, and that is one trade, if I
11 may put it so, that we could get without much trouble
12 in an emergency, and in my yard, for instance, on
13 March 31st we had 394 men in my yard. That did not
14 include the office staff, but it would be interesting
15 to point out that I had only one mechanic to look
16 after the upkeep of the cars on the road and I only
17 had five boilermakers, I only had 14 burners, I had
18 15 carpenters, 22 engine fitters, 24 general steel
19 fitters, 21 machinists and 16 pipefitters and about
20 50 welders. Those are the largest numbers, the
21 others all being below five, and I am sure that if
22 I do not have something like 400 men in my yard, and
23 I am talking about outside men, that does not include
24 the foremen, the office staff, that if there is an
25 emergency we would be just starting from scratch,
26 and in that four hundred figure I might say we sub-
27 contract our electrical work and there are no
28 electricians listed in that figure at all.

29 MR. MUNDELL: Q. That seems to be the list
30 I was wondering about, when I asked you if you could



1 let me have a list. That is just as of March 31st,
2 is it?

3 A. Yes.

4 MR. MUNDELL: We might put that in as an
5 exhibit, Mr. Chairman.

6 ---EXHIBIT NO. 72: List of men employed in yard
7 of Geo. T. Davie & Sons Ltd.,
8 Lauzon, Quebec, dated
March 31st, 1955.

9 MR. MUNDELL: This is a list of trades, with
10 the title on the head, "Men in Yard," Lauzon,
11 March 31st, 1955."

12 Q. Now, can you say how many you had in
13 the office at the same time?

14 A. In the office, yes, approximately 100.

15 Q. On March 31st?

16 A. That's right.

17 THE CHAIRMAN: Q. Well, your tradesmen are
18 included as office?

19 A. Including draughtsmen as office, that's
20 right, and foremen, all weekly. They are all
21 weekly paid men and are included in that figure
22 of 100.

23 Q. Well, now, that is 500, and that is
24 your present day average, is it not?

25 A. Just about.

26 Q. That is a pretty usual thing in Lauzon.

27 Very seldom the shipbuilders find they have an
28 integrated yard of any more than ten people less
29 than they happen to have in the yard just now,
30 and I thought you were 100 under, but now, I see,



1 I did not realize that in the office staff you had
2 included such essential people as draughtsmon, who
3 really are the heart of all your construction.

4 A. Yes, the draughtsmen and all the foremen
5 are in the office staff.

6 THE CHAIRMAN: Thank you.

7 MR. MUNDELL: That, I think, concludes the
8 Geo. T. Davie & Sons Ltd. submission.

9 THE CHAIRMAN: Thank you very much, gentlemen.

10 ---A short recess.

11
12 MR. MUNDELL: The next brief, Mr. Chairman,
13 is the brief of Davie Shipbuilding Ltd., Lauzon,
14 Province of Quebec, and Mr. Black, general manager
15 of the company, is appearing, and with him Mr.
16 Lowery, the president of the company, and I think
17 Mr. Lowery has a matter that was raised at an earlier
18 hearing with regard to the possibility of British
19 built upper lakers crossing the Atlantic, and he
20 wishes to speak to that.

21 THE CHAIRMAN: Yes, that is very interesting.

22
23 SUBMISSION OF DAVIE SHIPBUILDING LTD.

24 MR. R. LOWERY: Mr. Chairman and Commissioners,
25 during the Commission hearings in Ottawa the question
26 was raised as to whether or not GiantUpper Lakers
27 could be constructed and brought across the
28 Atlantic for services on the Great Lakes.

29 In reply to questioning, I stated that,
30 in my opinion, they could be brought over the



1 Atlantic subject to certain precautions; but that,
2 in any case, even if it was considered inadvisable
3 to bring such vessels out in their original condition,
4 they could be built, say, 100 feet shorter, and carry
5 with them prefabricated sections for this midship
6 portion which could then be added in Canada at a
7 total ship cost still appreciably lower than the
8 cost to build such a vessel entirely in Canada.

9 It was indicated at that time that the Com-
10 missioners would like to have further evidence on
11 this matter.

12 It must be stated now that at present the
13 question is hypothetical and, due to the number of
14 interested parties who will only deal with such
15 matters as they actually arise, no absolutely
16 definite proof is possible at this time.

17 In an effort to provide the Commissioners
18 with the most authoritative opinions on this matter,
19 I addressed a letter to Lloyd's Register of Shipping
20 and also to the American Bureau of Shipping, the
21 latter organization also being a world-wide
22 organization who are the counterpart in the United
23 States of Lloyd's Register in England. Further,
24 so far as this problem is concerned, the American
25 Bureau of Shipping have dealt with more Upper
26 Lakers than have Lloyd's Register and undoubtedly
27 have a most intimate knowledge of this type of
28 vessel. I say that because there is much greater
29 United States trading than there is Canadian
30 trading and since the United States Great Lake



1 shipping is almost exclusively dealt with by the
2 American Bureau of Shipping, I consider that in
3 their study and knowledge of the ships there, they
4 are possibly better informed than are Lloyd's.

5 My letter to Lloyd's read as follows:

6 "When the St. Lawrence Seaway is
7 "ultimately completed, there will undoubtedly
8 "be suggestions that giant Lake Freighters,
9 "such as the 'George Humphrey' or the
10 "'T.R. McLagan' can be built in Europe and
11 "sailed across the Atlantic for service in
12 "the Great Lakes.

13 "One school of thought has it that
14 "no such threat will exist since such
15 "vessels would not be allowed to make the
16 "initial voyage across the Atlantic due to
17 "their very great length to depth ratio.
18 "For what it is worth, I personally do not
19 "see this, and I believe that such vessels
20 "can and will be constructed in Europe and
21 "will be sailed across the Atlantic, since
22 "it would appear to me to be relatively
23 "safe for them to sail across the Atlantic,
24 "under the following conditions:

25 "(1) Controlled quantity and distribution
26 "of cargo to reduce the loading of the
27 "ship girder and increase freeboard
28 "and reserve buoyancy.

29 "(2) Carefully chosen period of time for
30 "crossing with regard to weather, in



1 "order to reduce risk of encountering
2 "long waves.

3 "It is quite obvious to me that whilst
4 "the matter may be considered as being
5 "hypothetical at present, at a later date
6 "great pressure will be brought by European
7 "builders to obtain permission to build such
8 "ships and make the single voyage across the
9 "Atlantic.

10 "I would be interested to know if
11 "Lloyd's Register of Shipping has given any
12 "thought to this matter and have come to any
13 "conclusions.

14 "One other matter about which I am not
15 "too clear --- "

16 I may say that I was fairly clear but I thought it
17 was better to get them to tell me ---

18 "--- is just what authority would decide if
19 "such vessels could or could not cross the
20 "Atlantic under controlled conditions such
21 "as I have suggested, and I would also be
22 "very pleased if you could comment on this
23 "matter.

24 "It further appears that even if the
25 "vessels are not permitted to sail the
26 "Atlantic in their final completed state
27 "it would be possible to build them, say,
28 "100 or 150 feet shorter and have the
29 "prefabricated midship sections shipped
30 "across for subsequent lengthening in a



1 "Great Lakes drydock.

2 "I feel, however, that we should con-
3 "centrate our thoughts on attempting to
4 "determine whether or not the ships could
5 "be constructed in Europe in their final
6 "state and brought across under controlled
7 "conditions.

8 "This matter is of considerable
9 "importance and urgency to all Great Lakes
10 "shipbuilders and I would certainly welcome
11 "an early reply to this letter giving me the
12 "benefit of the opinion of Lloyds based upon
13 "their wide experience of lake vessels and
14 "the features and limitations of their
15 "construction and design."

16 That is the end of my letter, and the letter
17 to the American Bureau of Shipping was quite similar,
18 couched in precisely similar terms. I will submit
19 photostatic copies of the replies in their
20 entirety, but, for the sake of brevity, I quote
21 now the relevant extracts from the replies:

22 From the American Bureau of Shipping letter,
23 their reference A-2, dated August 18, 1955, which
24 reads as follows:

25 "We have never prepared nor have we
26 "seen any studies made regarding what
27 "might be accomplished through a carefully
28 "planned and well controlled system of
29 "ballasting for the delivery voyage but
30 "it does occur to us that, within the



1 "range of drafts and trims required for
2 "proper wheel immersion and for the
3 "necessary sea-kindliness, it might be
4 "possible to develop a system of weight
5 "distribution so that under the
6 "standard assumptions used for evaluating
7 "the probable bending moments in ocean-
8 "going vessels, the resulting moment would
9 "bear no greater relationship to the
10 "moment of inertia of the section than is
11 "customarily obtained with normally
12 "proportioned and scantlinged ocean-
13 "going ore vessels of comparable length
14 "at the full load draft."

15 I read it that they believe, generally speaking,
16 without calculation, that it could be done.

17 Now a further quotation from the same letter:

18 "In any event it must be recognized
19 "that irrespective of any decision made
20 "by the Classification Society the entire
21 "problem would still require to be dealt
22 "with between the Underwriters and the
23 "Builders or Owners depending upon the
24 "terms of delivery. No doubt the Under-
25 "writers would be guided to a large
26 "extent by the opinions of the Classifica-
27 "tion Society, but they would not
28 "necessarily be required to abide by
29 "them."

30 That is the second quote. Now the third quote



1 from the same letter:

2 "I quite agree with you that if a
3 "thorough exploration of the possibilities
4 "mentioned above fails to indicate a
5 "satisfactory condition insofar as overall
6 "strength and stiffness is concerned the
7 "only other recourse would be to provide
8 "additional temporary strengthening or
9 "to plan on building the ships in large
10 "prefabricated sections which could be
11 "towed to some yard in the vicinity of
12 "the Great Lakes for final assembly, but
13 "I believe that before considering
14 "such a procedure it would be better to
15 "exhaust these other possibilities."

16 That is the end of the quotations from the American
17 Bureau of Shipping letter. I now quote from Lloyd's
18 Register of Shipping, their letter dated September 6,
19 1955:

20 "I thank you for your letter dated
21 "August 26th, 1955, and in reply I have to
22 "state that this Society does not take
23 "any responsibility for the voyage out
24 "when ships are built to class for a limited
25 "service. The usual procedure in the case
26 "of ships built in Britain is for the U.K.
27 "Ministry of Transport to issue certificates
28 "for the voyage out when they have satis-
29 "fied themselves that the vessel is
30 "suitably ballasted and/or stiffened, etc."



1 That is the end of the first quote. Now the next one:

2 "We are therefore not in a position to
3 "say what the Ministry of Transport would
4 "require in any particular case, but
5 "taking the case of the 'T.R. McLAGAN' it
6 "would appear that the International
7 "Loadline Standard of strength could be
8 "obtained with the draught reduced to that
9 "of a reasonable ballast condition, and we
10 "feel that the Ministry would be willing to
11 "issue a certificate for the vessel to
12 "cross the Atlantic in such a condition,
13 "particularly if a suitable season were
14 "chosen."

15 I feel that the foregoing opinions clearly
16 indicate the extreme likelihood that such vessels
17 could be built in Europe and brought to Canada for
18 operation in the Great Lakes.

19 Should the Commissioners desire further
20 information regarding the essential differences
21 between Oceangoing and Great Lakes vessels, I
22 will be pleased to explain them within the limits
23 of my ability.

24 It has been suggested that other Naval
25 Architects be obtained to speak to the Commission
26 on this matter.

27 If this is still required the necessary
28 arrangements can be made, but I personally doubt
29 that any more useful or authoritative opinions
30 can be obtained than those covered in this brief



report.

1 MR. MUNDELL: Mr. Chairman, I suggest that we
2 reserve exhibit numbers now for the photostatic
3 copies of those letters.
4

5 MR. LOWERY: Yes, I will get them done in
6 Montreal to-morrow and let you have them. They will
7 be my own letter, the replies and this.

8 MR. MUNDELL: Well, this is now in the record.

9 MR. LOWERY: Yes, this is my letter to Lloyd's
10 which I quoted in full, so I do not need to have it
11 photostated.

12 MR. MUNDELL: Exhibit 73, then, will be the
13 letter from the American Bureau of Shipping,
14 reference A-2, dated August 18, 1955; and the next
15 exhibit will be a letter from Lloyd's Register of
16 Shipping dated September 6, 1955.

17 ---EXHIBIT NO. 73: Letter from American Bureau of
18 Shipping dated August 18, 1955.
(To be supplied.)

19 ---EXHIBIT NO. 74: Letter from Lloyd's Register of
20 Shipping dated September 6, 1955.
(To be supplied.)
21

22 MR. MUNDELL: I do not think I have any
23 further question, except the question of further
24 marine surveyors. I believe they are being made
25 available ---

26 MR. LOWERY: They are working undoubtedly on
27 the matter and I felt that rather than to get
28 people like ourselves to pass opinions, we
29 should have more authoritative evidence, which
30 would probably be of more interest to the



1 Commissioners.

2 COMMISSIONER WICKWIRE: I think I agree with
3 Mr. Lowery. He has probably got as authoritative an
4 opinion as he can get.

5 MR. MUNDELL: I take it that if there were any
6 other views, we would know about them. I was
7 wondering if anybody had taken the opposite view.

8 MR. LOWERY: Oh, no, this is the entire
9 correspondence. I have given you extracts from the
10 two letters and I have written to the Commissioner
11 of Transport, hoping they would reply, but I have
12 not received a reply yet.

13 THE CHAIRMAN: We had a very interesting
14 comment once, more or less accidentally, when we
15 happened to be discussing how lakers were launched
16 on the side, and I said, "Why not do it in the
17 fashion in which sea-going ships are launched, where
18 you don't take up nearly as much frontage along your
19 waterway as you do with a side launching?", and the
20 answer made, very casually, was that you could not
21 launch them that way because they would break
22 in two.

23 MR. LOWERY: May I comment, sir, that that was
24 a very uninformed opinion, whoever said it. I
25 would be very happy to launch any upper laker end-on
26 and not worry about it. If the Commissioners would
27 like to give me ten minutes I can tell you the
28 essential differences between the strengths, if
29 you feel you would like to get that viewpoint of
30 the problem.



1 THE CHAIRMAN: Yes.

2 MR. LOWERY: In the Upper Lakes, because of
3 the shallowness of the water in the Lakes, the
4 approximate draught has been about 24 feet or
5 24 feet 6 inches, and that has had an effect upon
6 the maximum usable depth of the ship, which has
7 ultimately been estimated at about 37 feet 6 inches.

8 If the ships are made any deeper you cannot
9 put cargo in them because the ship would be too
10 deep in the water. Economic considerations have
11 determined the fact that the largest ships possible
12 are the most economic, so the only directions in
13 which the Great Lakes ship could extend was in the
14 length and beam, and they have extended them,
15 once in a while, as they can, to suit the engineers,
16 but they have been only able to do that within
17 the limits of structural design, and in this
18 situation, God, or whoever looks after these
19 matters, has been kind, because the final things
20 which determine the strength of a ship for the
21 basis of normal calculation is that we assume the
22 ship in the worst probable loaded condition and
23 we calculate the ship in the worst state of stress,
24 as when the vessel is on a wash equal in length
25 to precisely the width of itself, so you have
26 the crest of a wash with the force midships and
27 the ship wanting to bend that way and a further
28 position with the crest in the middle and the
29 end unsupported and the ship wanting to bend in
30 the other direction.



1 Now, the great feature which has helped
2 Great Lakes ship designers is the fact that the
3 length of waves is determined to a large extent by
4 the fetch or distance over which the waves can be
5 developed, and in the Great Lakes, although we
6 have very severe storms, it is impossible to
7 develop waves longer than 400 feet, so on the
8 Great Lakes a ship like the T.R. McLagan has always
9 two wave crests along the length and so cannot be
10 subject to the same stress -- not stress; I want
11 to avoid "stress" -- the same loading as in an
12 ocean ship.

13 So the Great Lakes ships have become like
14 this ruler, on this side long and shallow and
15 therefore flexible, where the ocean ships are
16 shorter and deeper; but the Great Lakes ships are
17 just as strong as the others, with the load which
18 comes upon them.

19 The Great Lakes ships could not sail the
20 Atlantic consistently with safety, because if you
21 run into waves equal in length to themselves, and
22 they are not designed to do that, the stresses
23 imposed upon them would be too great, but stress,
24 as it comes on a ship, is a product of two factors,
25 and that is that the wave is supporting the ship,
26 and the load and the cargo carried imposes a
27 downward force, and it is the difference between
28 the two which puts the stress on the ship.

29 Now, the suggestion which I heard made is
30 that the T.R. McLagan sailing across the



1 Atlantic would not have 24,000 tons of load, normal
2 load, there would be seven or eight thousand tons
3 involved, therefore reducing the stress which
4 would be imposed on the ship if it did get large
5 waves of its own length. Further, 700 foot waves
6 are very rare and take a long time to develop,
7 compared to what they could take, say, on the
8 North Atlantic to-day, in addition to which, in
9 sailing a ship such as the McLagan, across the
10 Atlantic, more care would be taken. The length
11 between crests of waves as they come on the ship
12 forms a definite pattern, and even if waves are
13 700 feet apart, all you have to do is to change
14 the course of the ship and run across the wave at
15 a different angle, and you get longer waves, and
16 any waves 1,000 feet long, in waves 1,000 feet long
17 the ship is not being stressed any greater than in
18 waves 700 feet. If the waves are coming at 700
19 feet and you turn the ship the other way, you
20 meet the impact of the wave some further distance
21 along. So the basis upon which I feel the thought
22 that Great Lakes vessels would break in two if
23 launched endways -- well, I feel they are
24 uninformed.

25 I cannot, as I have not attempted to do,
26 say that every one would agree that such ships
27 could be built in Britain, but I am certain that
28 if one were built I would have no hesitation in
29 sailing across in it myself, but I think that may
30 be helpful to the Commission to get a better idea



1 as to what the conditions are.

2 THE CHAIRMAN: The view taken as to the end
3 launching was that that was creating the very
4 condition you were speaking of, that the ship,
5 with its tail in the water and the nose right up
6 on the slips ---

7 MR. LOWERY: If the ship was not sufficiently
8 strong to be launched endways, it certainly is not
9 strong enough to be sailed across the Atlantic,
10 but the stresses on ships being launched endways
11 are much less than 25% of the stresses which will
12 come upon them under the conditions I have
13 mentioned.

14 You asked Mr. Delagrave if he thought he
15 would get any upper lakers to build. If the
16 Commission approves of the restriction of the
17 coasting trade, apart from Mr. Delagrave I expect
18 Mr. Black will be happy to build upper lakers, and
19 he will certainly launch them and build them the
20 way that it is done now. We will not take even
21 the time to consider any alternatives.

22 THE CHAIRMAN: You would launch them from
23 your present berth?

24 MR. LOWERY: Absolutely.

25 MR. MUNDELL: I was wondering, since Mr.
26 Lowery is anxious to get away to take a plane,
27 if I could ask one or two questions now before
28 Mr. Black starts.

29 THE CHAIRMAN: Oh, yes.

30 MR. MUNDELL: Q. Perhaps I should serve



1 notice on you, Mr. Lowery, that I am going to ask
2 about the presentation of Canada Steamships,
3 questions relating to the estimated building that
4 would result from the protection that is being
5 requested. As I understand it, from the material
6 filed, for instance, the Canada Steamship Lines
7 fleet has 16, I think, vessels that are forty plus
8 in age, in years. When would you expect to replace
9 those? That is the sort of information we would
10 like to have available, and then, taking the Canada
11 Steamships fleet as a sample, what building would
12 you expect to undertake, to get, in relation to it?

13 A. The question, as I said earlier, is
14 easy; the answer is more difficult. The position
15 is that we have an awful job deciding what ship we
16 are going to build next month, rather than ten years
17 from now. I really believe you can ask the question,
18 and I think you can ask for an answer and look for
19 an answer, but I won't personally believe the
20 answer, myself, because the matter is far, far too
21 difficult for us to estimate.

22 We can certainly say things like this, that
23 ships which are 40 years of age should be renewed
24 within a certain time, and that maybe one new one
25 would replace three old ones, but whether we
26 would know that we were going to build a new ship
27 or not at all would be most difficult for us to
28 say now.

29 For example, apart altogether from the
30 coasting operation of Canada Steamship Lines, we



1 carry three million tons of ore from the United
2 States, Toledo to Hamilton. That uses a lot of our
3 ships, not affected by the coastal trade. When
4 the Seaway goes through, I don't know, maybe Greek
5 ships will take that contract from us. It will
6 be an international voyage then.

7 THE CHAIRMAN: Well, not according to the
8 recommendations you are putting forward.

9 MR. LOWERY: A voyage from a place in the
10 United States ---

11 THE CHAIRMAN: But you have a recommendation
12 on that.

13 MR. MUNDELL: Yes, you have.

14 MR. LOWERY: In what capacity? You will
15 agree, I think, Mr. Chairman, that any forecast we
16 might make is certainly going to be largely based
17 not only upon what happens to the coasting trade.
18 I am not even sure that the Commissioners have
19 agreed as to the matter of trade between the two
20 countries on the Great Lakes, and we don't know
21 whether or not -- well, it is extremely difficult.

22 THE CHAIRMAN: The ore carried is from
23 Cleveland on the other side?

24 MR. LOWERY: Yes, sir, and we don't know
25 whether we would be involved in that operation
26 or not. I think we can say that for a healthy
27 Great Lakes shipping requirement, there is con-
28 siderable building necessary. That is about as
29 far as I could go at the moment.

30 MR. MUNDELL: Q. I was wondering if we



1 could put the question very generally this way:
2 you are putting forward a request for protection
3 in the coasting trade and there is an existing
4 trade. Now, surely the Commission, to be able to
5 appraise the value or the merits or demerits of
6 your claim, should be able to make some kind of
7 prediction itself. You are in the best position
8 of anybody to give the Commission the benefit of
9 your experiences.

10 A. I will tell you what I think, if not
11 ourselves, the trade or the business ought to be
12 able to attempt to do, and that is to say that if
13 restriction to the coastal trade achieves the
14 status quo, let us hold the line now, and then
15 consider what we should envisage for the future.
16 We can certainly say that due to the age of certain
17 ships, as long as the same business in total
18 exists, I think we probably could say that there
19 are ships which will require renewal, and the
20 approximate number and ratio of them.

21 Q. And I suppose some indication of what
22 an increase in business might require, the ore and
23 the longer runs for lakers, for instance?

24 A. That does not mean very much, Mr.
25 Mundell. I would not like this to be taken down,
26 but it takes only four ships to carry all the ore
27 we expect to get ourselves from Seven Islands,
28 to Hamilton, four ships total. But I think if
29 you ask the question we can make an attempt to
30 answer it.



1 Q. I have not put the question precisely.
2 I think I would rather like to leave it and see
3 what you can furnish us in that regard.

4 A. I can see why you want it and we will
5 get to work on it and see what we can do for you
6 on it.

7 THE CHAIRMAN: Thank you, sir.

8 MR. MUNDELL: Q. We might get the benefit
9 of Mr. Lowery's companies' experience, not related
10 specifically to the Davie brief, but as to why it
11 is not possible to streamline ship production.

12 THE CHAIRMAN: Yes, I had it yesterday from
13 you and I wanted the members of the Commission and
14 the staff to hear the outline you were giving me
15 as we went through the drafting rooms, and
16 the reason you started in those rooms in your plant.

17 MR. LOWERY: Yes. Yesterday I took Mr.
18 Justice Spence past the drawing offices, just in
19 order to show him the great amount of detailed work
20 which is done in our drawing offices and which
21 cannot be done anywhere else, with regard to the
22 hull structure itself. We see, for instance, that
23 half of the ship's body is the same as the other.
24 The only two parts of a ship which are similar are
25 port and starboard. Every foot of a ship has to
26 be most carefully considered. A ship, of all
27 structures or items of design, is a fantastic
28 complexity of small spaces, and the battle -- and
29 one of the reasons why Mr. Delagrave was talking
30 about our problems -- the constant battle of the



1 designers and the draftsmen is to get far too
2 much into far too little a space and to do it with
3 the minimum possible of weight, because, of course,
4 every ton we put on a ship is a ton of cargo it
5 cannot carry, or, if a passenger ship, it is a ton
6 more weight that the engines and the oil fuel have
7 to push through the water forever.

8 The machinery installed in modern ships
9 varies from reciprocating steam engines, unit flow
10 turbines, turbo-electrics, direct Diesels, to
11 Diesel electrics, in every variety and type of
12 detail manufactured.

13 The machinery of a ship is not just simply
14 the propulsion equipment. The electrical staff
15 have to estimate the various loads on the electrical
16 energy of the ship under all sorts of varying
17 conditions of a loaded ship at sea, both at sea
18 and in port, under many conditions. The ship must
19 be able to pump itself full and empty of water by
20 the reciprocating oil fuel pumps, the reciprocating
21 oil fuel systems. Every system you can have in
22 any hospital and many more exist in a ship and
23 that means that you work in the closest possible
24 space, and the designing staff in the drawing
25 offices must specify details as to every board and
26 rivet and place it in the ship. We do not just
27 send out an order to Fairbanks Morse for a new
28 engine. The matter is much more complex than
29 that. The details of the items as they come in
30 have then to be fed into the drawings, to be co-



1 related with the whole structure and with each other.
2 There are 25 or 26 separate piping systems in an
3 engine room, below the floor plates and above the
4 floor plates, and you cannot just bring electricians
5 from some other part of the country in to put in all
6 the rows of wires and cables, because you would find,
7 after they get it up, that they have put it right
8 where there is the only possible space to run several
9 leads of piping, so one of the major tasks is the
10 careful integration of the working plan in each
11 section to make sure that we avoid what is called
12 interference.

13 Now, that is streamlining on shipbuilding.
14 It does not sound like much, but Mr. Black and Mr.
15 Delagrave will tell you that when we started in
16 shipbuilding we used to have lines strung all over
17 the place, with piping by the mile, and it has been
18 the very complexity in the ships themselves that
19 have brought about the changes, because space
20 requirements have become more rigorous, the owners
21 require far more safety devices, and one of the
22 problems connected with engineering is how to save
23 fuel by simplifying the machinery arrangement.
24 Almost every device that comes out brings along
25 a whole host of complexities with it in the engine
26 room. We have equipment now in the engine room in
27 which you have steam from the boilers and which,
28 if it drops a fraction, some special indicator
29 measures it and starts a valve working here and
30 another one closing off there, and all these



1 complexities did not exist in ships in the last
2 war.

3 To extract every pound of effort from steam,
4 we nurse the steam from the time it comes to the
5 boiler until it is almost too exhausted to be
6 warm water.

7 I really cannot think of anything that the
8 drawing office does not do in their efforts to
9 save heat which a few years ago would have meant
10 nothing. All of this must be done within weight
11 and space limitations and in order to achieve
12 streamlined efficiency and to reduce costs.

13 Another point which I made yesterday, I
14 think, was that the ship you saw yesterday, the
15 "Bluenose", before the keel, and in fact before
16 the order was taken for the ship, the design and
17 drawing office staff had to be in a position to not
18 only estimate the price of that ship to within
19 about 1% better than Mr. Delagrave might estimate
20 it, but they also had to know the final ultimate
21 weight of the ship, with every piece of equipment
22 on board, to within a margin of not more than
23 30 tons, and also to know the centre of gravity,
24 vertically to within two inches and horizontally
25 to about nine inches or a foot. I think you
26 would admit they could not simply pick up staff
27 to do that sort of work, because you cannot have
28 one man in a drawing office who knows all about
29 it; you must have a lot of others who know all
30 about it. We have abandoned the method of what



1 Mr. Black calls shape and fit, cut and fit. Every
2 plate and every board of a ship to-day is ordered
3 for the precise location into which it is ultimately
4 put. When we order plates, it is ordered in the
5 form in which it is to go into the ship when it
6 comes into the yard. We have improved our past
7 methods so that now, instead of the make and fit
8 operation, every plate is now fabricated in large
9 units.

10 The question of pipe fitting in building
11 such as this is another thing. Most jobs will
12 have a standard radius, smooth fitting. We cannot
13 have those, because we could not get a piping
14 system into the ship with standard radii. We
15 have to make pipe to fit the particular require-
16 ments.

17 These are some of the things which prevent
18 us from -- I am not sure whether streamlining
19 means what I thought it would mean, but they are
20 some of the things which require almost each task
21 on the ship to be a separate and particular task.
22 If, by streamlining, they mean the sort of thing
23 which Mr. Kaiser did during the war, we could do
24 that, most certainly, but only if we had an assured
25 supply of exactly similar ships for a long period
26 of time, which would enable us to have the tooling
27 and organization to suit the requirements. Our
28 own shipyard in the last three years has built
29 one ice-breaker, 30 landing barges, three mine-
30 sweepers, two dredges, a tug and ferry. Well, it



1 is very hard to organize for mass production or
2 streamlined production -- and I had forgotten the
3 "Bluenose" -- it is very hard to organize for
4 streamlining in that kind of production, because
5 we have cases where we build a ship and the
6 owner wants another ship and wants a few changes
7 made from what was built into the other ship, and
8 those few changes are just enough to make simple
9 repetition virtually impossible.

10 MR. MUNDELL: Q. There was a question I
11 asked Mr. Delagrave as to whether, in any future
12 emergency, you would envisage ships being so
13 complicated that they could not be mass produced.
14 I take it the answer to that is, "I do not see that
15 possibility"?

16 A. The ships, as Mr. Delagrave said,
17 will be far more complicated than they were.

18 Q. Even with regard to standard cargo
19 carriers?

20 A. I will not direct the policy, but I
21 am sure that whoever does will have different
22 ships. One of the reasons for that, and the major
23 reason for the present state of Canada's deep sea
24 fleet, is the fact that she built vessels during
25 the last war, as Mr. Delagrave said, from drawings
26 which happened to be available from Britain, and
27 that was done without real concern as to their
28 suitability for Canadian trade or business or our
29 ultimate economy. We can design and we have
30 actually started some time ago on appropriate



1 cargo vessels to be built in Canada which we have
2 determined will be generally acceptable to the
3 majority of the Canadian deep sea ship owners and
4 which we feel, by discussion with the armed forces,
5 would be very suitable to them, but they are very
6 much different ships from those built during the
7 last war. They are fast vessels, with much more
8 convenient cargo handling equipment, much more
9 modern machinery, many more safety devices, and
10 they are certainly more complex. We could certainly
11 mass produce them, but they would not be simple.

12 Q. Could you mass produce them as quickly
13 as you could a simpler type of vessel?

14 A. No, no, not at all.

15 Q. I suppose ships built during the war
16 were not built with the thought of them being
17 useful after the war; they were constructed for
18 limited use?

19 A. That's right. Instead of spending time
20 and money building three ten thousand ton ships,
21 the time and money would have been better spent
22 in building one sixteen. They would naturally
23 cross the ocean faster and their turn-around would
24 be faster, but the shipyards would not be putting
25 out so many of them. It is not so much the number
26 you are putting out but what you can achieve with
27 them after you have put them out. The ships I
28 envisage are complicated vessels, but if those
29 ships can carry cargoes to and from across the
30 Atlantic and do it more efficiently and with a



1 greater degree of safety than any six simple ships,
2 then of course they are worth while, and particularly
3 if they can ultimately be more ---

4 Q. More useful afterwards?

5 A. Yes. These ships will have to get
6 across the Atlantic or wherever they can on their
7 own, and they will be required to have high speed,
8 manoeuverability.

9 MR. MUNDELL: Well, that answers my question.
10 I don't know what you want to do, Mr. Chairman.

11 THE CHAIRMAN: I do not think it would be
12 proper to start with Mr. Black now.

13 MR. BLACK: I leave it entirely to you, Mr.
14 Chairman.

15 THE CHAIRMAN: 10.00 o'clock to-morrow
16 morning, then, and Mr. Black will go on first.

17 COMMISSIONER WICKWIRE: Q. Mr. Lowery,
18 considering the answers to the questions which Mr.
19 Mundell put to you, and on which you will furnish
20 us with further information, probably in Montreal,
21 will you also tell us whether or not, if shipping
22 was restricted, whether shipyards on the west coast
23 and east coast might be competitive with shipyards
24 on the Great Lakes and on the St. Lawrence, with
25 this type of vessel? Do you consider that
26 restriction would help the west coast and east
27 coast yards?

28 A. Well, I think I can answer that it
29 certainly would not help the west coast yards in
30 so far as completing lake vessels is concerned,

•



1 because the transportation costs alone would nullify
2 it. I feel, and I have told our Great Lakes
3 shipyards, that certainly the St. Lawrence area
4 will become representative in the market for
5 building vessels for the Great Lakes and I am
6 quite sure they would share in any Great Lakes
7 shipbuilding which is done after the waterway
8 goes through.

9 Q. How would it affect Saint John and
10 Halifax?

11 A. That is not too easy to answer. In
12 capacity, the ships will be large ships, which
13 Saint John does not build, and in latter years,
14 Halifax has not been able to compete with St.
15 Lawrence yards on a price basis for ships that
16 are being constructed now, so I would imagine
17 that that state of affairs will continue to exist.

18 THE CHAIRMAN: Thank you. 10.00 o'clock
19 to-morrow morning.

20
21 ---Whereupon the hearing adjourned at 5.00 p.m.
22 until 10.00 a.m. September 28, 1955.
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1 WEDNESDAY, SEPTEMBER 28, 1955

2 ---On resuming at 10.00 a.m.

3

4 THE CHAIRMAN: Yes, Mr. Mundell.

5 MR. MUNDELL: The Davie Shipbuilding Limited,

6 Mr. Chairman. Mr. Black.

7 THE CHAIRMAN: Mr. Black.

8 SUBMISSION OF DAVIE SHIPBUILDING LIMITED

9

10 ---Mr. Black appearing.

11 MR. BLACK: Mr. Chairman and Commissioners,

12 The Davie Shipbuilding have already filed a brief

13 with the Commission and the remarks I would like to

14 make this morning may be supplementing your visit

15 to our premises of George T. Davie in Lauzon.

16 MR. MUNDELL: May I interrupt one moment?

17 MR. BLACK: Yes.

18 MR. MUNDELL: I forgot to mention it is B.79,

19 Mr. Chairman.

20 MR. BLACK: These remarks are intended to be

21 supplementing to the visit to the two plants over in

22 Lauzon yesterday to give you a perspective of the

23 shipbuilding activities in Quebec district with a

24 background of time.

25 The Davie yards, because we may as well com-

26 bine the two yards as a directive from one source,

27 actually were started back about 1811 in the Isle

28 of Orelans by the Taylor family which about ten

29 years later combined with the Davie family over

30 in Lauzon and started a shipbuilding industry in



1 Lauzon.

2 THE CHAIRMAN: May I interrupt. Will you
3 please speak up more loudly?

4 MR. BLACK: Fine, sir. The building in Lauzon
5 continued at a reasonable rate and during the late
6 19th century, when Canada was a very large builder of
7 wooden vessels, the industry actually thrived around
8 Quebec. There was something like 50% of the
9 population of Quebec City itself engaged in ship-
10 building.

11 Yesterday the Geo. T. Davie representative
12 indicated that approximately 90% of the employees in
13 the City of Lauzon were engaged in shipbuilding but
14 we are much more concentrated now than we were at
15 that time. The Davie yards have always had the
16 proud reputation of having started back about 1827
17 with the first Canadian naval vessel, the "King
18 Fisher".

19 At the end of the 18th century the decline
20 of wooden shipbuilding in relation to steel ships
21 greatly influenced the work in the Quebec district.
22 As a result there was a rapid decline. However, in
23 1837 the first steel ship was built in Lauzon and
24 since that time both steel and wooden ships have
25 been built over in that district and both yards
26 have maintained facilities through cut and fit
27 operations which enabled them to carry on the
28 shipbuilding and ship repairing business over
29 there.
30



1 In 1914 to 1918 in World War I, the Davie
2 Shipbuilding produced a total of the almost incredible
3 amount of 440 ships. Many of those were simple ships,
4 small wooden schooners, drifters and minesweepers.

5 In the 20 year period between the two World
6 Wars the Davie Shipbuilding produced several notable
7 ships including the first Diesel-powered vessel, the
8 "Green Motor" for the Great Lakes, and the first
9 Canadian Diesel electric tug.

10 The depression in the thirties saw a drop in
11 the shipbuilding industry in Quebec, so that between
12 October, 1932, and June, 1938, only one ship was built
13 in the Davie Shipbuilding.

14 In 1939 we entered World War II and during
15 that period constructed some 58 vessels including
16 corvettes, frigates, landing craft and 10,000 tonners.

17 It is significant when you compare the number
18 of vessels built in the Second World War with those
19 in the First World War that during that 20 year
20 period, although we had increased our ability to
21 build ships and gained in knowledge, there were only
22 58 as against something like 440.

23 The reasons for this, as explained yesterday,
24 is thatⁱⁿ shipbuilding, ships are increasing in com-
25 plexity due to the demand for greater efficiency
26 and we can assume that in any future conflict
27 ships will continue to get as complex as they have
28 done in the past.

29 Now, to achieve this construction of 58
30 vessels during World War II, we had an average



1 or achieved a total of just over 4,000 men in the
2 yard. These ships consumed approximately 100,000
3 tons of steel, about 600 miles of pipe, and 800 miles
4 of electric cable.

5 The point I would like to make is that during
6 and before the commencement of the last war we had
7 the period of the "phony" war whereby Germany was
8 sitting opposite France and we had ample warning at
9 that time -- I would not say "ample", but we had
10 some warning at that time to prepare our defences.

11 Now, I think any one who is likely to start
12 another future war has learned a lesson from the
13 last war. If you start a war you must start and be
14 prepared to go "all out" right from the commencement
15 and I doubt if in any future action we would have
16 anything like the same lull before war commences.

17 After the last war we were fortunate in one
18 respect, in that the war had devastated most of
19 the shipbuilding yards in Europe and as a result
20 they were obliged to turn to shipbuilding in other
21 countries to replace their lost fleets.

22 The Davie Shipbuilding were able at that time
23 to build 13 vessels for France. Since the war we
24 have built about six naval and 21 mercantile
25 vessels, among those the largest built in Canada,
26 20,000 tonners.

27 In the past we have employed an average of
28 about one in every ten workmen directly engaged
29 in shipbuilding in Canada. Naturally to keep in
30 shipbuilding it is necessary that you have



1 a large -- not a large but a well-equipped shipbuilding
2 establishment and have men available, otherwise if
3 you are out of business for any considerable time
4 the men drift off to other industries.

5 I would like to note that although ships are
6 built in one particular region a considerable amount
7 of a ship is actually produced in regions far remote
8 from the yard.

9 When shipbuilding was in its infancy in Quebec,
10 timber was available in the vicinity and ships were
11 constructed pretty well with local labour. The
12 modern ship, however, requires material procured
13 from districts far remote from the shipyard and
14 calls upon a large number of industries throughout
15 the country to manufacture and supply materials,
16 machinery and equipment.

17 As an example, materials and equipment for
18 a cargo vessel of about 12,000 tons recently con-
19 structed by us were obtained from approximately
20 175 different firms throughout Canada. Over half
21 of the cost of a ship is material alone.

22 The materials which are procured from various
23 districts throughout Canada spread business well
24 over Canada. In fact, we obtain valves from Saint
25 John, we have also procured valves from the United
26 States, cast propellers from Port Arthur, electron-
27 ics from Hamilton and machinery from Toronto and
28 Montreal.

29 A shipyard is an assembly or an accumula-
30 tion of machines suitably housed in a favourable



1 site. In addition to this we must have an establish-
2 ment, I believe, to use these facilities which are
3 available.

4 Actually, there are many various skills required
5 in shipbuilding. Approximately 31, in all, different
6 trades are required in the building of a vessel.

7 Many of those are peculiar to the shipbuilding
8 such as ships' draughtsmen, loftsmen, ships' car-
9 penters, ships' joiners, riggers, platers, and engine
10 fitters.

11 The skills required for these crafts can only
12 be acquired by actually working at the building of a
13 ship.

14 A ship is like no other structure. There are
15 virtually no flat or level surfaces anywhere either
16 when the ship is on the building berth or when afloat;
17 this makes it extremely difficult for any one not
18 familiar with building techniques to find a point of
19 reference from which to measure accurately, add to this
20 the fact that the ship is "alive" when in the water
21 and it can be appreciated the problems encountered
22 in outfitting the ship.

23 One would certainly hesitate to trust the
24 launching of a vessel weighing say 8,000 tons to
25 carpenters who have not been trained to ensure that
26 during the 45 seconds which it takes to transfer
27 that ship into the water no disaster occurs.

28 It is possible for the shipyard worker to
29 perform the work in general engineering and many
30 yards undertake general engineering as a means



1 of retaining their skilled men in steadier employ-
2 ment, but a lack of ship contracts for any lengthy
3 period does not maintain or improve their peculiar
4 skill in shipbuilding.

5 To-day shipbuilding techniques advance
6 rapidly and, unless steady employment is maintained,
7 replacement of equipment is becoming obsolete and
8 the acquiring of the latest techniques is not
9 possible.

10 At the commencement of the last war, Canada
11 had few skilled shipbuilders available, particularly
12 technicians, and was obliged to obtain many from
13 Britain, and, although the Canadian shipbuilding
14 industry is proud of its role in producing ships,
15 it cannot be denied that this lack severely curtailed
16 the full production which might have been achieved.

17 In connection with that I might remark that
18 myself earlier in the war in the capacity of naval
19 architect encountered great difficulty in obtaining
20 technicians to transmit the requirements of the
21 Navy to the yard in the form of plans. Even when
22 we obtained plans from Britain, those plans were
23 in British units. Those units are not the same as
24 used in Canada. Although we are on the same
25 measure, we are not metric.

26 The plates are given in different thick-
27 nesses, not fractions of an inch. Many of the
28 forms of steel such as angles and channels are
29 not rolled in Canada, not procurable on the
30 North American Continent and considerable time



1 was lost at the commencement of the program in
2 transmitting British units into Canadian units.

3 Further, in preparing lists of material for
4 steel mills in Canada, the mills naturally rolled
5 plates of certain thicknesses and widths and if you
6 did not produce a list such as could be readily run
7 through the mill, you have great difficulty in
8 procuring steel.

9 Now, during the course of that program at
10 that time we were greatly hampered with the lack of
11 technicians, draughtsmen to even transmit into
12 Canadian units the English units and drawings which
13 we received from Britain. Their technique is not
14 necessarily the same as in Canada and we have in our
15 own establishment at the present time -- our chief
16 design engineer actually came from Britain during
17 the war and encountered the same difficulty when he
18 was with us at that particular time in producing the
19 necessary drawings for Canadian ships because, apart
20 from steel, the other standards in North America are
21 not the same as they are in Britain. Pipe lines
22 are different. Pipe thicknesses are different.
23 Dimensions are different. The normal dimension of
24 three inch thick is about three and three-eighths
25 inches here. It is a bit thicker in Britain. You
26 have to transmit all those into American stan-
27 dards even to use British drawings and designs
28 procured there.



1 At the present time our three chief draughtsmen
2 are Canadian but half way through the war we had no
3 Canadian draughtsmen capable of transferring any
4 drawings of great consequence at all.

5 It is necessary, of course, we do not permit
6 these skills to deteriorate.

7 Now, the question has been raised as to the
8 efficiency of the shipbuilding industry in Canada
9 as compared to elsewhere because prices in Canada are
10 higher than they are in Britain but actually price
11 is not the gauge or criterion of efficiency because
12 I think we are all agreed that the British continental
13 yards are more efficient than the Japanese yards,
14 yet their prices cannot compare with Japanese yards.

15 Now, apart from that analogy, it is good to
16 know that even in Britain our efficiency is appreciated.
17 Now, I have a letter here dated December 6, 1951,
18 which was written to the Davie Shipbuilding, but it
19 could just as easily have been written to George T.
20 Davie or any other yard in Canada. The fact that
21 we received this letter does not indicate that we
22 have any monopoly of skilled people, but as a
23 matter of fact George T. Davie and ourselves are in
24 constant competition to secure repair jobs and new
25 construction, and although it is addressed to the
26 Davie Shipbuilding it really is addressed
27 inevitably, I believe, to the Canadian shipbuilding
28 industry.

29 This was damage to the Samaria.

30 "Cunard Line, Barrington Street, Halifax.



1 "December 6, 1951.

2 "Dear Mr. Black:

3 "It was done quickly and efficiently
4 "and we wish all ship repair yards were as
5 "efficient."

6 Now, the reason I read that particular letter
7 was this, that when you visited our yard you went
8 through the template dock. The damage which you saw
9 to the vessel there was almost the same as that
10 which took place to the Samaria and we feel that
11 we in Canada -- and I think I can make some com-
12 parisons because I am not Canadian born. I learned
13 my trade in the U.K. I think I can say that the
14 Canadian shipbuilding is as efficient as the British
15 shipbuilding and in many ways we feel here we are
16 actually further advanced in some techniques,
17 particularly welding.

18 Now, we, of course, naturally subscribe to
19 the general brief submitted by the Shipbuilding and
20 Ship Repairing Association that Canada restrict
21 the coasting trade to Canadian registered and
22 Canadian built ships. We believe that in any
23 sudden hostilities, and it is certain that any
24 hostilities will be sudden in the future, foreign
25 fleets could be caught far from the shores of
26 Canada if they are the only ships operating in the
27 Great Lakes and the rest of Canada, and these
28 fleets might be either immobilized in the
29 countries, if they come from Europe, and will be
30 over-run or picked off on their winter runs or on



1 their way back to Canada or even, if in Canada, might
2 cause considerable confusion if their being im-
3 mobilized form some part of any bargaining terms
4 which might be imposed on an over-run country, some-
5 thing after the manner in which the French fleet
6 caused considerable trouble when Germany over-ran
7 France.

8 Our defence must extend to the Arctic. I
9 noted in this morning's paper that this is very much
10 in the minds of the defence chiefs of both Canada
11 and the United States and further steps are being
12 taken to secure our front on the north.

13 The maintenance of Canadians in the coastal
14 service is the only adequate means available to us
15 to provide Canadian seamen and officers experienced
16 in navigation and operation under the peculiar
17 Canadian conditions for our merchant navy and naval
18 service in time of war.

19 Canadian crews manning our coastal trading
20 fleets will insure that we have under our own
21 constant control the possibility of maintaining any
22 necessary precautions and controls to insure that
23 the locks and lanes of the seaway systems are not
24 sabotaged at the start of any conflict.

25 If British and foreign shipping trade all
26 coastal and lakes trade and, as a result, Canada's
27 shipyards virtually disappeared through lack of
28 contracts, we would certainly be in no position
29 to make good any loss of all or part of such
30 foreign cargo fleets were they withdrawn or lost



1 and the likelihood of obtaining foreign replacements
2 might be very remote indeed.

3 With restriction of coastal trade to
4 Canadian registered ships, not only would ship
5 operators benefit, but the repair business would then
6 come to Canadian yards, still however under com-
7 petitive conditions, which I just mentioned a few
8 moments ago, which would maintain a higher level of
9 activity, which in turn would result in reduced cost
10 to the benefit of present operators of Canadian
11 registered ships who make use of our facilities
12 such as the Department of Transport and the Royal
13 Canadian Navy.

14 Restriction of the coastal trade to Canadian
15 registered and Canadian built ships would provide
16 a definite policy which you want for the Canadian
17 ship operator and enable him to plan for his
18 requirements with some degree of certainty. This
19 would result in a continuing demand for construction
20 in Canadian shipyards which would be reflected in
21 every industry associated with both shipping and
22 shipbuilding, and I believe increasing the general
23 level of employment.

24 The potential development around the Great
25 Lakes is incalculable, which the two dynamic nations
26 bordering these waters are hardly likely to leave
27 undeveloped, and as a result we can anticipate
28 greatly increased trade in the Great Lakes
29 district. I note in this morning's paper in
30 Chicago it was estimated that might double within



1 the next ten years.

2 The extent to which Canada and Canadians
3 control and share in this development will be deter-
4 mined by the control we take now at the threshold of
5 this expansion of our facilities. It cannot be left
6 to some future generation to unravel the complexities
7 which will inevitably occur in endeavouring to
8 belatedly do what should be done at this time.

9 We believe it is in the interests of the
10 United Kingdom and our potential allies as a whole,
11 although not necessarily of individuals or groups
12 in U.K. or these other countries, to maintain Canada's
13 shipbuilding industry in a healthy state of activity
14 for the future protection of all. In this light,
15 any legislation Canada may enact to protect the
16 domestic shipping and shipbuilding cannot in the
17 broad view be considered anything but beneficial to
18 both Canada and her friends.

19 MR. MUNDELL: I believe I should say, before
20 I ask Mr. Black any questions, in view of what I
21 think Mr. Lajoie said yesterday, that if we do ask
22 questions it does not necessarily indicate any
23 particular hostility but just that we are always
24 anxious to test the assertions made.

25 MR. MUNDELL: Q. Mr. Black, we are thinking
26 of submitting a questionnaire to every shipyard
27 which may cover the point of how much work apart
28 from shipbuilding you are doing. Your yard, I
29 understand, does do some industrial work as
30 well as shipbuilding?



1 MR. BLACK: It does do some industrial work.
2 We started industrial work seriously early last
3 year. Now, during last year the industrial work
4 amounted to approximately 1.5% of our total turnover.
5 This year we are about 2.5. As a measure of employ-
6 ment it gives practically the same employment per
7 dollar value as shipbuilding, but one of the problems
8 in connection with that is this ---

9 Q. Would you repeat that?

10 A. Yes. It gives practically the same
11 ratio of employment per dollar value as shipbuilding.

12 One of the problems in the industrial field
13 is that -- in using shipbuilding is this. We are in
14 shipbuilding. We have mentioned various skills
15 which are peculiar to shipbuilding. It is extremely
16 difficult to use those skills in industrial work.
17 The main trades engaged in industrial work are
18 usually ship platers, welders and template makers
19 and some pipe fitting, but that leaves out a large
20 percentage of the labour employed in the yard and
21 furthermore the skill is not exactly the same.

22 Where in shipbuilding you have practically
23 no flat or level surfaces on your ship in practically
24 all industrial work it is either square, circular,
25 triangular, rectangular or elliptical design and
26 it is relatively easy to handle that work. On
27 the ship it is extremely difficult so that you are
28 not really making the full use of your skills.
29 You are keeping your men employed but you are not
30 maintaining their skills in the particular fields



1 required for shipbuilding itself.

2 Q. I take it if a general questionnaire on this
3 subject was sent to you ---

4 A. We would be very glad to answer it.

5 Q. I am not quite clear when you dealt with
6 the St. Lawrence Waterway as to what the direct effect
7 of the Seaway would be on your own business?

8 A. Well, that is rather difficult. We
9 would like to think that with all Canadians we would
10 benefit from it but we cannot benefit in our belief
11 if shipbuilding is unable to continue in Canada.
12 We would not expect to benefit greatly or to the
13 same extent except in repairs, if shipbuilding as a
14 building industry rather than a repair industry were
15 lost to Canada.

16 As Mr. Lowery mentioned yesterday with the
17 opening of the Seaway the more the St. Lawrence yards
18 would be in a competitive position with the Upper
19 Lakes yards for lakers.

20 As Mr. Delagrave mentioned yesterday, both
21 George T. Davie and our organization do right now
22 compete with the Upper Lakes yards. We cannot do
23 that in this respect although we do as far as
24 possible at the present time on anything that goes
25 through the canals. As a matter of fact, last
26 week we lost an order to our competitor to Canada
27 Steamship Lines, Kingston. They took an order
28 on which we had tendered the same as they had
29 where ---

30 THE CHAIRMAN: What kind of a ship?



1 A. It was big barges for the Navy. They
2 can go through the canal.

3 Q. I am interested in finding out whether
4 there were any contracts being made for civilian ships
5 to be built in Canada.

6 A. Not for civilian ships. There is a
7 possibility the R.C.M.P. have civilian ships. Also,
8 too, there is Canada Steamship Lines and Paterson
9 have in mind some ships for themselves. They are
10 small. They are canallers. We have two canallers
11 to build for Paterson.

12 COMMISSIONER WICKWIRE: Q. For Paterson?

13 A. For Paterson, that is right.

14 MR. MUNDELL: Q. You have?

15 A. We have at the present time, yes.

16 THE CHAIRMAN: Q. You have not laid them
17 at all?

18 A. No, we have not commenced. We have been
19 notified about the work in the last week. Other than
20 that all we can hope for would be some increase in
21 the volume of repairs. Unfortunately, repairs are
22 entirely unpredictable and no yard can live strictly
23 on repairs. The repairs compared to our total
24 volume over the last ten years amounts to between
25 10 to 11% of the dollar value, simply about 10 or
26 11% of our total activity.

27 MR. MUNDELL: Q. Of value?

28 A. Of dollar value.

29 Q. What would it be in relation to the
30 men employed?



1 A. The men employed, about the same, I would
2 think possibly. Yes, I think possibly about the
3 same because usually there is considerable over-
4 time put in on ship repairs, you see, which reduces
5 the number of men employed although the cost is
6 usually higher.

7 Q. As I understand it, you anticipate from
8 the St. Lawrence Waterway you will get some volume
9 of repair and you will have the possibility of
10 tendering on Upper Lake vessels?

11 A. Providing shipbuilding is maintained and
12 Canadian upper lakers are not procured from elsewhere.

13 Q. That is the effect you anticipate from
14 the Seaway as far as your own business is concerned?

15 A. Yes. I might add one thing as far as
16 repairs are concerned, and that is that the British
17 shipbuilder naturally tends to restrict all repairs,
18 which he can postpone, to be carried out in the
19 Continent of Europe, whereas with Canadian registered
20 ships we would anticipate that we should receive some
21 volume of that in Canada. It is only the absolute
22 minimum of repairs that are carried out by any
23 British or foreign ship in Canada.

24 THE CHAIRMAN: Unless on your thinking there
25 is a different rule for carrying them out, as com-
26 pared with that job in your yard?

27 A. We would like to be guaranteed we would
28 get some of those.

29 MR. MUNDELL: The next point I would like
30 to come to is the question of the basis put for-



1 ward for your request for protection. I would like
2 to get them quite clear. Naturally we assume that
3 our Canadian companies are maintained so I was leaving
4 aside your own interests.

5 A. That is perfectly true.

6 Q. In addition to that, what are your sort
7 of public interests? Do you put it mainly on
8 defence?

9 A. I think perhaps I would be equally
10 divided. I think it is absolutely essential we main-
11 tain our defences because if we drop our defences we
12 will lose our ability, if there is any conflict and
13 we come out on the wrong side, we lose our ability
14 to do all the other work which we might like to do
15 and I also think at the same time as Canadians we
16 should do as much for our own transportation as
17 possible. This is speaking altogether apart from
18 shipbuilding. I think as Canadians we should look
19 after our own business.

20 Q. Regardless of the cost?

21 A. Regardless of the cost. We are unable
22 to develop this country unless we -- we have the
23 means within our own power to do so. If we permit
24 others to do work which we can efficiently do --
25 true, it may be a little more costly at the present
26 time but we have a standard of living which we
27 endeavour to maintain and it costs money to main-
28 tain that. It costs you more for a motor car
29 here than it does in Britain, as well as it costs
30 for most other things. I think if you wish to



1 have a standard of living which exists under these
2 lower prices -- in other words, as Canadians I think
3 we should look after our own transportation business.

4 Q. So you put it partly on defence?

5 A. Defence primarily, and being Canadians.

6 Q. Dealing with the question of defence
7 first. You have advocated restrictions or reserva-
8 tion of the coasting trade to Canadian ships built
9 in Canada. Would not a subsidy meet the defence
10 and shipyards' problems; do you need to reserve as
11 long as you are put in a competitive position?

12 A. I do not think any of us would like to
13 feel that if there were any other means of achieving
14 the objective of maintaining our defence that we
15 should give a subsidy. Yes, a subsidy if there is
16 no other means of doing it, but we feel that with
17 restriction of the coasting trade -- it is very
18 difficult to say to what extent -- we feel it would
19 go a long way towards proving what we -- to make
20 it unnecessary to have a subsidy. We would hope so.

21 Q. If this is a defence matter, would it
22 not be fairer to have a subsidy rather than a
23 restriction which really means it is the user of
24 the ships that is paying the cost of maintaining
25 the shipyards rather than the taxpayer?

26 A. No, personally I think we should
27 endeavour to have our shipping industry the same
28 as we have our other transportation systems.

29 Q. I am thinking of defence.

30 A. Yes. Do you mean if it were



1 necessary to maintain the shipyards for defence
2 would a subsidy be the way to do it?

3 Q. Would it be enough? Would it achieve
4 that?

5 A. Well, of course, if the subsidy were
6 large enough, but I think that shipyards should be
7 maintained by private interests and, in fact, very
8 much the same as our arsenals and other Government-
9 owned industries necessary for defence, and if we
10 must primarily look at our defences, if it is
11 necessary to give a subsidy to keep our defences
12 in good order I would say "yes". I would say
13 "subsidy".

14 Q. Would a subsidy afford defence?

15 A. I don't think it would. I think we
16 would very much prefer to get that competition
17 because if we -- at the present time we compete one
18 with another, which maintains our efficiency.

19 A subsidy which may be granted to-day, no
20 one knows to what extent it may be required in
21 five years or ten years from now. A subsidy now
22 might be totally inadequate some years from now
23 and furthermore it might be that we would have a
24 decline or something. It is extremely difficult.

25 Q. Supposing we went to the American
26 scheme of a subsidy to a man who is buying this
27 ship, the difference between ---

28 A. That I think would be much preferable
29 to a subsidy for shipyards, because it would keep
30 us in competition.



1 Q. A construction subsidy?

2 A. Yes.

3 Q. Would that meet all the shipyards'
4 difficulties as shipyards, leaving out the operators
5 for a moment?

6 A. That I would hesitate to say without
7 some consideration.

8 Q. I thought you had considered it because
9 you asked for protection.

10 A. It might not be totally adequate but we
11 think that it would go a long way towards maintaining
12 our yards.

13 Q. Have you done any calculation as to what
14 it might be?

15 A. I mean, we are primarily interested in
16 the constructing business. We do not have the
17 facilities necessary to permit us ---

18 Q. We have dealt with defence. I did not
19 ask you whether the subsidy be paid out of the
20 general taxpayer rather than the user of the ship
21 industry, with this protection the cost of ships
22 would be higher?

23 A. The cost of Canadian ships should not
24 be higher. I mean, actually the cost of Canadian
25 ships -- we will take a vessel to-day that costs
26 \$4 million. If the coastal trade were restricted
27 by which an increase in Canadian shipbuilding
28 industry would result, the cost should drop. I
29 do not think there is any doubt about that,
30 because one of our troubles is we have our



1 establishment. You have certain overhead which has
2 got to be distributed. Now, if six ships should be
3 built rather than one, your overhead is naturally
4 considerably less.

5 Q. You have not done any calculation?

6 A. No.

7 Q. You do not know whether it would produce
8 even one ship to be built?

9 A. We do not know.

10 Q. If it produced a lot of ships you think
11 perhaps it might?

12 A. If it produced any increased shipping
13 it should reduce the cost.

14 Q. Is there any practicable ratio or any
15 degree of costs available?

16 A. One of the troubles in shipbuilding is
17 that all ships are more or less tailor-made. There
18 are very few of which you have more than one. The
19 only one I can think of was during the latter part
20 of the war when we were building in a large volume
21 and we did twelve S.T.S.'s. We were down about
22 ten to twelve percent of our building time which
23 of course was 10% of the labour cost. At the same
24 time you have reduced overhead if you have more
25 than one ship in your yard at a time. If you
26 have more than one ship of the same type certain
27 parts can be used and certain work can be used
28 like template making.

29 Q. You mentioned that each ship is a
30 tailor-made job?



1 A. Yes.

2 Q. I was wondering, leaving aside mass
3 production for the moment, how would a number of ships
4 being built in your yard decrease the costs if it is
5 a tailor-made operation?

6 A. On overhead items. Furthermore, the
7 fact you have better efficiency when you have a
8 number of vessels. You can work ahead. You can go
9 back. It is not always possible to maintain the
10 same workmen constantly in a yard. For instance, you
11 have platers, you have pipefitters, metal workers,
12 electricians coming on the job. If you have several
13 ships you can start them on the first ship and you
14 can take them to the second one and back, as the
15 case may be. That is much better than having him
16 out and in the yard. Again, you get much better
17 efficiency that way and in addition your supervision
18 is, generally speaking, much more easy over a larger
19 number of ships.

20 Q. If we can go to the next point. I think
21 you put forward in your recommendations it is in
22 the general public interest to have a shipbuilding
23 industry in Canada. Why do you say that it is in
24 the public interest to have a shipbuilding industry
25 here if we can get our ships more cheaply elsewhere,
26 leaving aside defence now?

27 A. Well, true, we can get our ships more
28 cheaply.

29 Q. I am thinking of the argument put up
30 by the British Columbia forestry men, the



1 Saskatchewan farmer and the people of Newfoundland,
2 all of whom say if it is going to cost us more then
3 it is contrary to the public interest.

4 A. Of course, the first thing is -- I
5 agree we all like to get things cheaply, but it is
6 in the public interest, we think, in this way, that,
7 myself, I think that the shipbuilding industry in
8 Canada, if it is a matter of reasonable protection
9 for survival, is pretty well in its infancy, more or
10 less in the development stages. Later on, if we get
11 our industry --- We have steel production. You
12 have purchasers of material in Canada, I explained,
13 from 175 firms for that one particular ship. Those
14 purchases cover all sections of the country and
15 then, after the ship is completed and during its
16 completion naturally you have wages which are dis-
17 tributed to the workmen which go into the community.
18 A ship built in Britain contributes nothing as far
19 as the community itself is concerned.

20 Q. Surely those things that are bought
21 by the shipyards would be bought by other industries
22 where they could be used more effectively and
23 efficiently if you assume the shipyards cannot
24 compete?

25 A. If there is only one place to buy
26 and it goes that way, I think that might be so,
27 but the steel which is used for shipbuilding is
28 not going into another industry. It is supplemen-
29 tary to the mills. It is used in other industries.
30 By completing cutting out the shipbuilding we are



1 not producing another 100,000 automobiles, but the
2 switch would not be from shipbuilding to automobile
3 building.

4 Q. No, it would be some building. Assuming
5 full employment ---

6 A. Yes. Assuming full employment, I would
7 like to think we do contribute to the employment in
8 shipbuilding, and we believe we do. You are not only
9 shipbuilding. You have the provision of the ship
10 besides your ship repair, etc. All those contribute
11 labour to the Canadian workmen and taxes to the
12 Canadian Government.

13 Q. Well, if the Canadian workman finds work
14 in some other more profitable industry, would he not
15 work and pay taxes? For instance, say he is con-
16 verted into some other more profitable field?

17 A. That is a hypothetical question. You
18 are transferring them to some other type of work
19 without a complete review of the natural facilities.

20 Q. Well, you are diversifying as rapidly
21 as you can?

22 A. To the extent we may do so, but we doubt
23 if we can go all the length in replacing workmen for
24 workmen of the general engineering we do on ship-
25 building, and where at the same time, as I say,
26 we lose the skills because you are presupposing
27 there is absolutely no shipbuilding in Canada, I
28 take it.

29 Q. I must suppose there would be a repair
30 industry. What would happen if you did not get --



1 A. I do not think any one can live on repairs
2 alone. The volume is so small and unpredictable.

3 Q. Well then, one other thing. The
4 Dominion Marine Association have asked for this
5 protection to the western end of Anticosti.

6 A. Yes.

7 Q. Have you given any thought to whether
8 that would be sufficient or whether or not it should
9 be both coasts and the Great Lakes?

10 A. No, I have not given particular thought
11 to it. I would think that if you have coastal
12 restriction as far as possible of one country, we
13 should apply it to the entire country. It may be
14 necessary to make compensations for regional areas
15 but I think I am not in a position to say myself --
16 in general, we should apply our laws to the entire
17 country.

18 Q. You would not get any benefit from the
19 problem on the west coast?

20 A. No, but at the same time we feel the
21 Canadians on the west coast would be benefited.
22 The Canadian shipping and ship repair would benefit
23 because I understand ---

24 Q. Far better for them to benefit. You
25 do not compete?

26 A. We do not.

27 MR. MUNDELL: I think that is all I have to
28 ask in view of the fact this questionnaire is
29 going out which is purely of a factual nature.

30 COMMISSIONER WICKWIRE: Q. Mr. Black,



1 irrespective of the question of the costs of a ship
2 built in Canada as against one built in a U.K. or
3 European yard, what about the cost of operation if
4 you had restriction, the cost of operation of a
5 Canadian ship as it affects the freight rates?

6 A. Well, it is extremely difficult for me
7 to say. I am not in the operating business. I
8 presume we would expect them to curtail the question
9 of operating costs to our other transportation systems
10 and facilities which are comparable to our trans-
11 portation by water.

12 THE CHAIRMAN: Q. What you mean is if there
13 is no other system to compete with them we have to
14 accept them. If there is some other means we say
15 why should not he stay in there and keep the cost
16 down?

17 A. Well, if we are seeking for the cheapest
18 way of transporting our goods, we may possibly --
19 you see, we have already got a railway system and if
20 we had started with the thought that some one else
21 might do it much cheaper many years ago, would we
22 have a transportation system?

23 COMMISSIONER WICKWIRE: Q. By railway.
24 Well, the point is that, Mr. Black, this has been
25 argued before us that the mere fact that you would
26 allow U.K. shipping to engage in the coasting
27 trade has quite an effect on keeping the freight
28 rates down?

29 A. Well ---

30 Q. I am wondering if you have anything



1 else on that?

2 A. No, except that as far as I am aware the
3 ship operators are much like the shipbuilders. They
4 are in competition with each other. I presume their
5 competition is as keen as our own is. I know, as
6 far as the shipbuilding is concerned, we feel that
7 our own competition is too keen to have us live
8 comfortably.

9 THE CHAIRMAN: Well, there are some places in
10 Canada where there is not nearly so much competition
11 between ship operators as you have, Mr. Black,
12 beside my jaundiced view of the existence of any
13 such subject.

14 A. I think that the ship operators maybe
15 can best possibly answer that.

16 Q. They have answered it, but I do not
17 think it has certainly been self-evident to help a
18 jaundiced view.

19 A. I would be in no position to say. I
20 would have to look at their books.

21 MR. MUNDELL: That is all.

22 THE CHAIRMAN: Q. I find much interest, Mr.
23 Black, in your statement which I paraphrase, if
24 the Canadian yards are busy they will be able to
25 reduce costs. I think we have to start with this
26 premise. Canada is a country which lives by the
27 export of its product and particularly its raw
28 products. What a Canadian sells them for in
29 world markets fixes whether he will be able to make
30 a sale or whether he will be able to keep in



1 business. I am thinking of certain exports, pulp-
2 wood, paper, wheat or any of the other pulp
3 commodities, and what he has to pay for having them
4 carried. What he has to pay for having them carried
5 depends on how much the ship owner will have to pay
6 for his ship, and I suggest to you that with Canada's
7 raw products competing on world markets they want to
8 pay as low transportation costs as they can in order
9 to compete, and you will not be able to build ships
10 at all for him if you get restrictions if you can't
11 sell ships because the people can't use them to
12 carry goods in them.

13 A. I would agree with that, sir.

14 Q. Therefore, I say it is most important
15 that this very important differential between the
16 U.K. cost and Canadian cost of ship construction
17 which exists to-day be made appreciably lower by
18 restriction or assistance to maintain your yards
19 and cut your unit cost.

20 Can you give us any kind of formula by which
21 we could expect to see a reduction of at least 50%
22 of the 100% differential between Canadian and U.K.
23 costs? I quote those figures to you, by the way,
24 having had various cost examples where a man had
25 taken the same typical ship and arrived at the cost
26 of a ship in Canadian yards and in U.K. yards, and
27 the U.K. yard was about 55% of the Canadian yard
28 cost.

29 A. Well, it is extremely difficult
30 that precisely, sir. First of all, although



1 we are a nation that lives by export, many other
2 nations including the U.K. are very great shipping
3 nations and we are rapidly, I think, transforming from
4 entirely a producer of raw materials to a fabricator
5 and processor of those materials. I think that is
6 the way our economy seems to be heading.

7 Q. Granted, but I say if you sell fabricated
8 materials you must compete on world markets?

9 A. That is so. As far as the cost of ship-
10 building is concerned, some endeavour could be made,
11 I think, to arrive at some reduction in costs if there
12 was a good increase in the volume of shipbuilding.
13 A reduction, I think, is inevitable because your
14 expenses are spread over a larger operation staff.

15 Q. I know one shipbuilder is prepared very
16 shortly to give us some data, some arithmetic
17 calculations on that. We have been much impressed
18 by your yard, and we were wondering if you could
19 give us the same thing?

20 A. We can do something, I think, Mr.
21 Chairman. As far as the figure you quote is con-
22 cerned, I do not know what particular yards they
23 speak of in Europe or even in Canada. The
24 differences to me seem somewhat high. I would
25 think that the U.K. price would be about, somewhere
26 about 66 to 70%, maybe a nearer figure, rather
27 than 50.

28 Q. We would very much appreciate that
29 statement. It may be a more accurate gauge and
30 you say that is a high cost. You say 66 to 70%



1 roughly, a difference of about two-thirds of the
2 amount?

3 A. About two-thirds.

4 Q. Thank you very much.

5 MR. GERIN-LAJOIE: Would it be convenient to
6 recess now?

7 THE CHAIRMAN: Yes, we will recess for ten
8 minutes.

9 ---The hearing recessed at 11.05 a.m.
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1 Me GERIN-LAJOIE: Le mémoire suivant, monsieur
2 le président, est celui de l'Association des proprié-
3 taires de navires du Saint-Laurent Inc., mémoire
4 numéro 49. Me André Verge comparaît pour l'Associa-
5 tion.

6 REPRESENTATIONS DE L'ASSOCIATION DES
7 PROPRIÉTAIRES DE NAVIRES DU SAINT-
8 LAURENT INC.

9 MR. ANDRE VERGE: Mr. Chairman, before reading
10 my notes, I would like to ask your permission to read
11 my notes in French, and before beginning, I want to
12 state that our brief was prepared by the board of
13 directors of the Association and by Mr. Morin, their
14 legal adviser, who has since been appointed to the
15 Bench of the Province of Quebec.

16 Monsieur le président, je vais vous donner
17 tout d'abord l'existence et le but de l'association
18 que je représente.

19 Incorporée depuis 1936, l'Association des
20 propriétaires de navires du Saint-Laurent Inc. a pour
21 but de promouvoir les intérêts des propriétaires de
22 navires engagés dans le cabotage sur le fleuve Saint-
23 Laurent et le golfe Saint-Laurent.

24 La plupart des navires sont enregistrés à
25 Québec ou à Montréal. L'Association représente les
26 propriétaires d'environ deux cents navires à moteur
27 Diesel. Toutes sortes de marchandises sont trans-
28 portées dans les différents ports du fleuve Saint-
29 Laurent, du golfe Saint-Laurent, des Grands Lacs et
30 de Terre-Neuve par les membres de l'Association.

La position actuelle du cabotage au point de vue légal.

Le cabotage au Canada est réglé par les articles 669 à 673 de la Loi sur la marine marchande du Canada, chapitre 29, S.R.C. 1952 et l'article 54 de la Loi des Douanes, chapitre 58, S.R.C. 1952 s'applique également au cabotage au Canada.

Actuellement, seuls les navires britanniques ont le droit de faire du cabotage au Canada et la définition de "navire britannique" se retrouve à l'article 2, paragraphe 5 et à l'article 6 de la Loi sur la marine marchande du Canada, chapitre 29, S.R.C. 1952. Ces navires britanniques comprennent également les navires considérés comme "prises de guerre" par les forces du Commonwealth britannique durant les deux dernières guerres.

Un vaisseau construit à l'étranger ne peut faire le cabotage au Canada sans une licence obtenue du ministère du Revenu National en payant un droit de vingt-cinq (25) pour cent ad valorem sur sa machinerie, sa coque et son gréement; mais l'article 673 de l'acte de la Marine Marchande du Canada, S.R.C. 1952 prévoit que le gouverneur en conseil peut suspendre l'application des articles 669 à 673.

Il existe actuellement une coutume au ministère du Revenu National d'émettre des licences pour le cabotage aux vaisseaux britanniques autres que ceux construits à l'étranger lorsque deux personnes signent un cautionnement de \$500. Les règles à suivre pour l'émission de cette licence sont les suivantes:

- a) établir que le vaisseau a été construit dans le commonwealth britannique;
- b) produire un certificat à l'effet que le navire est réellement un navire britannique enregistré dans les ports du commonwealth et propriété de sujets britanniques;
- c) que les officiers possèdent des certificats de compétence britannique,

De plus, l'article 54 de la Loi des douanes, chapitre 58, S.R.C. 1952, édicte qu'un droit de vingt-cinq (25) pour cent ad valorem doit être payé sur les réparations faites au cours de l'année précédente sur un navire, ce droit correspondant aux droits payés sur l'équipement importé au Canada pour les réparations de ces navires.

La difficulté, à notre sens, provient du fait que l'expression "navire étranger" est interprétée par le ministère du Revenu National comme excluant les pays du commonwealth britannique. Nous soumettons que l'expression "navire étranger" mentionnée dans la Loi des douanes doit inclure les pays du commonwealth britannique autres que le Canada, et à l'appui de notre proposition, nous soumettons une décision de la Cour rapportée dans la cause de *Cashin vs. The King*, 4 D.L.R., page 547, 1935, où le juge Angers, interprétant la Loi des douanes, déclare: "je crois que, pour les fins des douanes, un navire non enregistré au Canada, même s'il est un navire britannique, doit être considéré comme navire étranger".

Nous soumettons que l'interprétation du mot "navire étranger" a une très grande importance pour

les propriétaires de navires canadiens et même pour les chantiers maritimes, car interprété de la façon ci-dessus mentionnée, il n'y a aucun doute que les propriétaires de navires et les chantiers maritimes canadiens auraient une plus grande protection et, en même temps, la concurrence des navires étrangers au Canada deviendrait moins grave pour les propriétaires de navires canadiens.

La situation actuelle du cabotage.

Tous les vaisseaux, d'après l'interprétation donnée actuellement par le ministère du Revenu National et par la Loi sur la marine marchande du Canada, peuvent faire du cabotage dans les eaux canadiennes, sauf ceux construits à l'étranger, comme je l'ai déjà dit, qui doivent payer un droit de vingt-cinq (25) pour cent ad valorem pour obtenir une licence.

Tel qu'il se produit à travers le monde dans tous les domaines du transport et surtout dans le domaine du transport aérien, il serait urgent que les vaisseaux canadiens soient protégés,^{car} ils ne peuvent faire compétition adéquatement avec les autres vaisseaux, surtout si l'on considère les points de vue suivants:

- a) le coût de la vie se trouvant beaucoup plus élevé au Canada que dans les autres pays qui envoient actuellement des navires dans les eaux canadiennes;
- b) Le salaire des officiers et des marins est plus élevé au Canada que dans ces autres pays;

- c) le coût des réparations des navires est également plus onéreux pour les propriétaires de navires canadiens;

et enfin la dévaluation de la livre sterling et le désir d'obtenir des dollars canadiens augmentera considérablement le nombre de navires qui viendront faire concurrence aux caboteurs dans le transport maritime.

Nous pouvons envisager actuellement que le sort fait à notre flotte océanique est celui réservé aux caboteurs canadiens. La compétition est telle que l'an dernier un mémoire fut présenté à l'honorable Maurice Duplessis, premier ministre de la province de Québec, l'informant que des navires non enregistrés au Canada transportaient particulièrement à Forestville des marchandises destinées à l'Hydro-Québec, alors que ces marchandises pouvaient être transportées par des navires enregistrés au Canada.

Nous proposons humblement les moyens suivants pour améliorer les chances de succès des propriétaires de navires canadiens dans le commerce du cabotage dans les eaux intérieures du Canada:

- a) que les signataires du "British Commonwealth Shipping Agreement" soient notifiés du fait que le Canada désire changer sa loi sur le cabotage, à l'effet que le cabotage au Canada soit restreint aux navires enregistrés au Canada, opérés par des citoyens canadiens, tel changement devant devenir en vigueur un an après la notification du désir du Canada de modifier sa loi sur le cabotage, aux autres pays signataires du "British Commonwealth Merchant Shipping Agreement".

Si l'on trouvait cette mesure trop draconienne, nous soumettons humblement que les réformes suivantes devraient être apportées:

- a) en vertu de l'article 11 du "British Commonwealth Merchant Shipping Agreement", les règlements applicables à tous les vaisseaux naviguant dans les eaux intérieures du Canada peuvent être modifiés.

Il serait juste alors de prévoir certaines règles à l'effet que les navires servant ou devant servir au cabotage dans les eaux canadiennes soient strictement qualifiés à cette fin; que les détenteurs canadiens de permis pour les eaux intérieures soient considérés qualifiés pour les voyages auxquels s'appliquent leurs certificats et que les citoyens canadiens possédant un certificat au longscours soient également qualifiés pour le cabotage;

- b) que les détenteurs de certificats émis dans les autres parties du commonwealth devront passer des examens oraux ou écrits, prouvant leurs qualifications pour faire du cabotage dans les eaux canadiennes, tel règlement étant en conformité de l'article 17 du "British Commonwealth Merchant Shipping Agreement";
- c) les propriétaires de navires canadiens doivent présentement remplir une déclaration de propriété établissant qu'ils possèdent des propriétés au Canada, avant de pouvoir être enregistrés comme propriétaires de navires, et celui qui ne possède pas de telles propriétés doit fournir un cautionnement.

Nous soumettons que les étrangers devraient également démontrer qu'ils possèdent des propriétés au Canada pour faire le cabotage dans les eaux canadiennes, afin de fournir également au Gouvernement la

même garantie que le propriétaire canadien doit fournir actuellement. Ce cautionnement ou ces propriétés servent de garantie au gouvernement fédéral dans le cas où ce dernier serait dans l'obligation de faire quelques dépenses concernant les vaisseaux naviguant dans les eaux canadiennes.

Les propriétaires étrangers devraient également fournir un affidavit attestant qu'aucune réparation n'a été faite depuis un an sur leurs navires, et si telle réparation a été faite, payer les droits prévus à l'article 54 de la Loi des douanes.

L'obtention de la licence du cabotage devrait être obligatoire, et sans cette licence aucun navire ne devrait obtenir de "clairance". Les propriétaires de navires étrangers devraient être dans l'obligation de payer aux marins et aux officiers les mêmes salaires que les propriétaires de navires canadiens doivent payer.

Le droit de vingt-cinq (25) pour cent ad valorem devrait également être augmenté à cinquante (50) pour cent pour les propriétaires de navires étrangers.

Ces recommandations, une fois adoptées, profiteraient aux propriétaires de vaisseaux canadiens, qui seraient plus en mesure de faire la concurrence avec les vaisseaux étrangers et ces recommandations profiteraient également aux chantiers maritimes canadiens, qui pourraient bénéficier plus souvent des réparations à être effectuées sur des vaisseaux étrangers, ces derniers préférant toujours, dans les conditions actuelles, les faire exécuter en dehors du Canada, où ces réparations peuvent être faites à meilleur compte.

Comme dernière suggestion, monsieur le président, nous soumettons que la partie XIII de la Loi sur la marine marchande du Canada soit modifiée de façon à faciliter aux propriétaires de navires canadiens engagés dans le cabotage les moyens d'acquérir des navires pour que ces propriétaires et leurs clients aient en tout temps des vaisseaux qui apparaissent comme un actif à leur état financier annuel, au lieu d'y figurer comme des fardeaux financiers, causés par des réparations annuelles trop coûteuses.

Me GERIN-LAJOIE: Monsieur le président, j'aurais quelques questions à poser.

Monsieur Verge, je comprends que l'Association des propriétaires de navires du Saint-Laurent Inc. est une organisation incorporée. Pouvez-vous nous dire en vertu de quelle loi?

R C'est en vertu de la troisième partie de la Loi des compagnies provinciales.

D Est-ce que vous seriez en mesure de fournir à la Commission une liste des membres de votre Association?

R Certainement.

D A l'heure actuelle, pouvez-vous nous dire, tout de suite, s'il s'agit, pour la plus grande part, ou exclusivement, de membres individuels, ou si vous avez également des compagnies?

R Il s'agit, pour la plus grande part, de membres individuels, mais il y a aussi un membre de notre association, la Clarke Steamship qui, je crois, présentera un mémoire à Montréal.

D Maintenant, les membres individuels dont vous parlez, dites-vous qu'ils sont tous membres individuels, à part la Clarke Steamship?

R Il y a évidemment des compagnies, mais les compagnies faisant partie de l'Association possèdent deux ou trois vaisseaux au plus, mais la majorité des membres de l'Association sont des membres propriétaires de vaisseaux.

D Pourriez-vous soumettre à la Commission, également par écrit, au cours des prochains jours, ou d'ici quelque temps, non seulement la liste des membres de votre Association, mais le nombre de navires possédés par chaque membre. Si vous le voulez, le sténographe pourra peut-être vous laisser avoir une liste complète des questions auxquelles je voudrais avoir des réponses. Alors, en donnant ces renseignements, vous pourrez également nous donner le nombre de vaisseaux dont chaque membre est propriétaire?

R Oui.

D Egalement, peut-être le tonnage de chaque vaisseau?

R Pour ce qui est du tonnage, je crois qu'on peut dire que la moyenne est d'environ six cents (600) tonnes de "deadweight".

D Alors, ce qui veut dire qu'il y en a qui sont de tonnage assez inférieur à ce chiffre, et d'autres de tonnage supérieur?

R Oui.

D En donnant la liste des vaisseaux, vous pourrez également donner au nom de chacun, vous pourrez nous dire s'ils sont de bois ou d'acier?

R Oui.

D Pour les fins de l'interrogatoire, pouvez-vous nous dire, tout de suite, s'il existe un nombre appréciable de navires en acier?

R Je crois que la plupart des navires sont en bois, mais nous remarquons facilement que les propriétaires de navires, actuellement, achètent des navires en acier, ce qui leur permet de naviguer plus tard à l'automne et de commencer plus de bonne heure au printemps, même lorsqu'il y a des glaces sur le fleuve.

Maintenant, il y a un membre de l'Association, le capitaine Verreault, dont le navire est en service dans l'Arctique, en direction de Churchill, et en plus, quelques membres de l'Association naviguent également, pendant l'hiver, en Amérique du Sud.

D Pouvez-vous nous dire si les navires actuellement en opération ont tous été construits au Canada, ou si un certain nombre ont été construits ailleurs?

R La plupart ont été construits au Canada, un très petit nombre auraient été construits ailleurs; je me demande, peut-être quelques-uns aux Etats-Unis, mais la plupart au Canada.

D Vous pourrez également nous donner ces renseignements précis au sujet de chaque vaisseau?

R Oui.

D Est-ce que tous les navires sont enregistrés au Canada?

R Tous les navires sont enregistrés au Canada.

D Sans exception?

R Sans exception.

D Pouvez-vous nous dire si les navires sont toujours réparés au Canada?

R Ils sont toujours réparés au Canada.

D A moins de réparations urgentes?

R Quant aux réparations urgentes, comme ceux qui vont en Amérique du Sud, évidemment, s'il y a des réparations urgentes, elles doivent être faites là, mais les autres, au Canada.

D Pouvez-vous nous dire dans quels chantiers maritimes, ou quels endroits au Canada, ces navires sont réparés?

R Les navires sont réparés...il y a un chantier maritime à Saint-Joseph de la Rive, les chantiers maritimes du Saint-Laurent, l'île d'Orléans, à Québec, à Lévis.

D En les mentionnant un par un, à Saint-Joseph de la Rive, quelles facilités de réparations avez-vous là? Est ce Marine Railway?

R Je peux pas vous donner d'autres renseignements. Je pourrai vous fournir ces renseignements-là plus tard.

D En même temps que les autres?

R Oui.

D Vous avez dit "les chantiers maritimes du Saint-Laurent", dont la Commission est au courant?

R Oui, les chantiers maritimes du Saint-Laurent.

D Là, encore, vous pourrez nous dire quel

genre de facilités il y a là, pour les fins du dossier?

R Oui.

D Vous nous avez dit Lévis?

R Lauzon; ils ont présenté leur mémoire avant Davie Shipbuilding.

D Est-ce qu'il se fait des réparations sur les petits navires comme ceux possédés par les membres de l'Association aux divers chantiers maritimes de Lauzon?

R Oui.

D A part ça, quels sont les chantiers maritimes utilisés par vos membres?

R Il y en a évidemment à Montréal, je ne peux pas vous donner les noms des chantiers maritimes à Montréal, mais évidemment, il doit y en avoir à Montréal. Je pourrai vous fournir ces noms-là plus tard.

D En bas de la ville de Québec, est-ce que vous connaissez d'autres endroits que Saint-Joseph de la Rive?

R Je crois qu'il y a un petit chantier à l'Île aux Coudres, mais évidemment beaucoup de réparations peuvent être faites par les propriétaires eux-mêmes.

D A la même occasion, en donnant les renseignements sur chaque chantier maritime, pourrez-vous nous dire s'il se fait également de la construction dans chacun de ces chantiers, en plus de la réparation, et s'il s'y construit uniquement des navires de bois ou d'acier dans chaque cas?

R Oui.

D Est-ce que vous pourriez nous dire tout de suite, ou donner le renseignement plus tard, si un nombre appréciable de ces navires sont détenteurs d'une licence en vertu de la loi des Transports?

R Ils sont tous détenteurs d'une licence.

D Tous?

R Oui.

D Même ceux qui ont un tonnage inférieur à cinq cents (500) tonnes?

R Oui, parce qu'il leur faut cette licence-là pour obtenir leur "clairance".

D Vous me dites que tous sont détenteurs d'une licence non seulement en vertu de la Loi de la marine marchande, mais également en vertu de la Loi des Transports?

R Evidemment, il y a deux sortes de licences qu'ils doivent avoir.

D C'est pour ça que je veux que vous fassiez la distinction?

R Il y a la licence noire et la licence rouge, qu'ils appellent.

D Est-ce que vous êtes en mesure de savoir quels sont les navires qui sont détenteurs d'une licence en vertu de l'article 10 de la Loi des Transports, chapitre 271 des Statuts Refondus du Canada?

R Est-ce que c'est "coasting trade"?

D Oui, c'est une licence qui s'applique au transport maritime d'un endroit à l'autre au Canada?

R Je crois qu'ils sont tous en possession de cette licence, mais je pourrais vérifier, en tout cas, et vous le dire.

D Est-ce que vous pouvez nous donner quelques renseignements sur le genre d'opérations que poursuivent les membres de votre Association? Tout d'abord, est-ce que les voyages de ces navires sont principalement à contrat, ou est-ce qu'il y en a qui procèdent en vertu d'un horaire fixé à l'avance?

R Quelques-uns sont employés par des compagnies pour l'année, et d'autres...

D Qu'est-ce que vous voulez dire? Pouvez-vous nous donner un exemple?

R Simplement à titre d'exemple, l'Anglo Pulp, par exemple, aurait du bois à faire transporter pendant la saison de navigation. Alors, et c'est simplement à titre d'exemple, ils peuvent engager un navire pour l'année et le navire sera dirigé, l'équipage sera l'équipage régulier du navire, et non celui de l'Anglo Pulp, mais son horaire est fixé, évidemment, au début de l'année, mais la plupart voyagent à contrat. Ils peuvent transporter du bois un voyage, et revenir avec de la farine, des denrées, toutes sortes de marchandises.

D Est-ce que vous pouvez nous dire combien de ces navires détenus par les membres de votre Association ont fait du transport uniquement pour un client, une compagnie, disons pendant la dernière année, la saison de 1954, par exemple?

R Je pourrais vous fournir ce renseignement, mais évidemment, c'est la très petite majorité.

D Un très petit nombre?

R Oui.

D Quant aux autres, pouvez-vous nous expliquer ce qu'ils font, s'ils ont des routes déterminées à l'avance, ou est-ce que cela varie? Quels sont les ports où ils arrêtent, le genre de marchandises qu'ils transportent?

R Il y a évidemment, comme dans le port de Québec, une agence maritime qui reçoit toutes sortes de marchandises. L'agence maritime est une agence de propriétaires ou un intermédiaire, elle agit comme intermédiaire entre un grossiste, par exemple, qui veut envoyer sa marchandise dans le bas du fleuve. Alors, il communique avec l'agence maritime, et puis l'agence maritime engage un bateau pour transporter ses marchandises ou de la marchandise appartenant au client, à l'expéditeur.

Maintenant, les compagnies, aussi les compagnies de bois sur la Côte Nord, une compagnie a du bois à transporter pour quatre (4), cinq (5) voyages. Alors, là, soit que le capitaine qui a su ça communique avec la compagnie, ou que la compagnie communique avec le capitaine et lui demande de faire ce transport spécial de voyages de bois.

D Est-ce qu'il y a des navires qui sont équipés pour certains genres de transport, par exemple, le bois, ou si c'est, s'ils sont à peu près tous du même genre de construction, non seulement extérieure, mais intérieure?

R Ils sont tous à peu près du même genre

de construction, sauf les plus gros navires, évidemment, qui sont équipés pour ce transport d'à peu près toutes sortes de marchandises.

D Pour en revenir à la question d'il y a quelques instants, est-ce que ces navires fonctionnent suivant un horaire un peu déterminé?

R Bien, c'est-à-dire...

D Ou est-ce qu'ils s'accommoderont simplement aux besoins du transport, ou de la marchandise à transporter?

R C'est-à-dire que le capitaine, ordinairement, durant la saison morte, fait le tour de ses clients qui l'engagent, et puis là, évidemment, il établit sa route lui-même pour le transport qu'il fera durant la saison d'été.

D Ce n'est pas une route déterminée au point d'être publiée et connue par les agents, et désignée à l'heure, à jours fixes?

R Non.

D Par exemple, la Clarke Steamship fonctionne sur un horaire déterminé?

R Oui.

D Est-ce qu'il y a d'autres membres de votre Association qui fonctionnent sur cette base-là, ou s'il n'y en a absolument aucun?

R Je crois qu'il n'y en a pas beaucoup qui fonctionnent sur la base de la Clarke Steamship.

D Vous pourrez nous le dire d'une façon certaine, en répondant aux autres questions?

R Oui.

D Est-ce que ce transport se fait de Montréal jusqu'au bas du fleuve? Quelles sont, exactement, les régions desservies par les membres de votre Association?

R Ils se rendent de Terre-Neuve aux Grands Lacs.

D A quelle partie des Grands Lacs? A l'extrême Ouest?

R Tous les Grands Lacs.

D Tous les Grands Lacs?

R Oui. Oh. ils peuvent se rendre, ils vont aux Etats-Unis, quelques fois.

D Puisque vous parlez de Terre-Neuve, est-ce qu'ils desservent non seulement la péninsule de Gaspé, mais également les autres Provinces Maritimes, la Nouvelle-Ecosse?

R Oui, il y a des caboteurs qui sont là.

D L'île du Prince-Edouard?

R Oui.

D Vous parlez non seulement de la Clarke Steamship, mais d'autres membres de votre Association également?

R Oui.

D Est-ce qu'ils font également le cabotage à Terre-Neuve, ou si le travail n'est pas fait par des membres de votre Association?

R Pas à Terre-Neuve même, je crois, pas dans la province de Terre-Neuve. Evidemment, s'il y a un voyage à faire de Gaspé à Terre-Neuve, ils se rendront à Terre-Neuve, et évidemment, plutôt que de faire un voyage allège, de retour, ils peuvent prendre

un chargement.

D A votre connaissance, est-ce qu'ils font du transport sur la côte du Labrador?

R Il y en a quelques-uns qui s'y rendent.

D Vous nous disiez tout à l'heure qu'il y avait même un navire qui faisait du service dans l'Arctique?

R Oui, il y en a un actuellement d'engagé.

D Quels ports ou quels endroits dessert-il?

R Je ne peux pas vous dire quels endroits. Je pense qu'ils se rendent....je ne voudrais pas vous induire en erreur, je ne peux pas vous dire exactement quels ports, mais je sais qu'il est là pour plusieurs mois.

D Quand vous parlez de l'Arctique, voulez-vous dire la baie d'Hudson, ou au Nord?

R Je ne peux pas vous dire exactement l'endroit où ils sont; je crois qu'il va à Churchill.

D Est-ce que vous pouvez nous dire quel a été le tonnage complet de marchandises transporté par les membres de votre Association, disons pendant l'année 1954? Vous pouvez nous fournir ce renseignement-là?

R Ce sera peut-être assez difficile. Nous n'avons pas le record du tonnage de nos membres pour l'an dernier.

D L'avez-vous pour d'autres années?

R Je crois qu'on l'a peut-être pour d'autres années.

D Pour nous donner une idée de l'importance de ce transport?

R Oui.

D Maintenant, pouvez-vous nous dire ce qui caractérise les services rendus par les membres de votre Association? Ce que j'ai en vue, c'est ceci: par exemple, est-ce qu'ils desservent des endroits qui ne peuvent être desservis par d'autres moyens de transport, et quand je dis "d'autres moyens de transport", je dis des bateaux plus gros, également le chemin de fer, les camions. Pouvez-vous nous dire jusqu'à quel point les services rendus par les membres de votre Association sont typiques, ne sont pas rendus par d'autres?

R Evidemment, peut-être que dans le Nord ils desservent des endroits où le transport par camionnage serait impossible. Evidemment, dans les ports de Gaspé, en montant, la concurrence du camionnage existe déjà, le chemin de fer et les autres moyens de transport.

D Est-ce que des navires plus gros pourraient faire ce transport?

R Il y a certaines difficultés, évidemment, pour des navires plus gros, c'est que plusieurs quais, par exemple, dans le fleuve, à marée basse, sont à sec; alors, des gros navires ne pourraient pas se rendre là, ou même quand ils prennent un chargement, évidemment le navire repose sur le sable.

D Pour prendre un exemple concret, est-ce que les navires de la Clarke Steamship peuvent desservir à peu près n'importe quel port desservi par les

autres navires, ou s'ils sont trop gros pour cela?

R Ah! je crois.

D Maintenant, pouvez-vous nous dire jusqu'à quel point les services rendus par les membres de votre Association sont essentiels aux diverses régions desservies? Est-ce qu'il y a d'autres moyens de transport qui pourraient être aussi efficaces et si peu coûteux?

R Je ne peux pas...évidemment, les tarifs de transport varient avec...varient assez souvent avec chacun des propriétaires. Ils font leurs contrats, c'est-à-dire qu'ils passent leurs contrats avec leurs clients eux autres même. Alors, peut-être que dans certains cas c'est plus économique que le transport routier, ou dans d'autres cas, si le client engage quelqu'un, ça doit être à cause qu'il y voit un avantage.

D Est-ce que vous savez dans quelle mesure les régions desservies par les membres de votre Association reçoivent à peu près tous leurs approvisionnements de cette façon, ou si vous n'êtes pas en mesure de le dire?

R Je crois que ce doit être assez partagé, sauf évidemment les régions éloignées du bas du fleuve.

D Si vous pouviez avoir certaines précisions sur ce point-là, sur le moyen de transport utilisé, pour faire comprendre les fonctions des membres de votre Association.

Vous nous avez dit un mot des tarifs chargés par les membres de votre Association. Pouvez-

vous nous dire comment ces taux sont déterminés?

R Ces taux sont déterminés...évidemment, il y a l'offre du client qui offre à transporter, de faire transporter à un prix de...

D Comment ce prix "de" est-il fixé?

R Tant la tonne, ou tant la corde, si c'est du bois, comme par exemple une compagnie de bois va avoir du bois dans le bas du fleuve, elle va dire "Monsieur, je suis prête à faire transporter tant de cordes à tel prix de tel port à tel port.

D Voulez-vous dire que c'est le client qui fait l'offre le premier, que ce n'est pas le propriétaire?

R Souvent, c'est le client qui offre le transport. Maintenant, quitte au propriétaire de navire de s'entendre avec ou de refuser le transport, si le prix n'est pas satisfaisant pour lui.

D Il n'y a pas d'échelle de taux publiée?

R Non. Il y a eu un projet dans ce sens-là, envisagé par l'Association et des discussions avec les compagnies, mais nous en sommes là, actuellement.

D Est-ce que la Clarke Steamship n'a pas une échelle de taux déterminés à l'avance?

R Oui, je crois que la Clarke Steamship a une échelle de taux.

D Maintenant, pouvez-vous nous dire..vous nous dites que les autres propriétaires de navires n'ont pas d'échelle de taux publiée de la même façon que la Clarke Steamship?

R Non. Bien, évidemment, vous rencontrez un propriétaire, lui peut vous dire "je vais transporter du bois de telle place à telle place à tel prix". Evidemment, il y a toujours, évidemment, la compagnie qui fait transporter le bois offre son prix; alors, soit qu'ils s'entendent ou ne s'entendent pas.

D Pouvez-vous nous dire jusqu'à quel point il y a concurrence entre les propriétaires de navires, qui sont membres de votre Association, jusqu'à quel point ils coupent les prix, les uns les autres?

R Evidemment, autrefois, il y avait une certaine concurrence. Maintenant, comme je vous l'ai dit tout à l'heure, l'Association a longuement étudié ce point-là et puis il y a eu des projets de faits à ce sujet-là, et qui sont encore en discussion par les membres de l'Association, d'avoir un taux...

D Uniforme?

R Uniforme, oui.

D A l'heure actuelle, est-ce qu'il y a concurrence et variation de prix de l'un à l'autre?

R Il y a peut-être une légère variante de prix.

D Est-ce que vous êtes en mesure de nous dire jusqu'à quel point, dans un cas comme celui dont vous venez de parler, d'une agence maritime qui peut recevoir une demande d'un grossiste pour un navire, est-ce que cette agence-là fait du "begging" d'un propriétaire de navire à un autre, pour avoir un prix plus favorable?

R Non, je ne crois pas que l'agence maritime fasse

ça. Les compagnies, ordinairement, ne font pas ça, essayer de couper les prix de l'un à l'autre, elles font leur offre, et puis évidemment un propriétaire de navire qui à moins de dépenses sur son navire, qui aurait, par exemple, des parents sur son navire, peut, lui, transporter une quantité de bois offerte par la compagnie à tel ou tel prix, et de tel port à tel port, et réaliser peut-être autant de profit qu'un autre dont les dépenses seraient plus élevées. Alors, dans ce cas-là, il refuse.

D Est-ce bien le nom, agence maritime?

R Il y en a plusieurs, il y en a à Montréal.

D Une agence maritime, ce n'est pas son nom?

R Evidemment, ce sont des gens qui font le commerce.

D Est-ce que c'est le nom de la compagnie, "agence maritime de Québec"?

R Oui, agence maritime de Québec. J'ai mentionné ce nom-là à titre d'exemple.

D Maintenant, quand cette agence maritime reçoit d'un grossiste une demande de place pour transport par navire, est-ce que c'est le grossiste qui offre un prix de transport, ou bien est-ce que ce n'est pas le propriétaire de navire qui dit "pour transporter telle marchandise, le prix sera de tant"?

R Cela se peut que pour des parties de navire, ce soit le propriétaire de navire qui fixe le montant, mais quand le navire est engagé au complet, souvent, évidemment, c'est la compagnie qui fixe le prix.

D Est-ce que vous savez si les prix chargés par les membres de l'Association, en dehors de la Clarke Steamship, sont généralement à peu près identiques à ceux de la Clarke Steamship, ou généralement inférieurs?

R Je ne peux pas vous donner ce renseignement. Evidemment, ils n'ont pas, ils ne desservent pas le même parcours, c'est-à-dire ils se rencontrent sur le même fleuve, mais pas le même parcours, pas les mêmes ports, et quelques fois il y a des ports où la Clarke Steamship ne va pas.

D Tout à l'heure, je vous demandais si les membres de votre Association étaient détenteurs d'une licence en vertu de l'article 10 de la Loi du transport et puis vous m'avez répondu que vous croyiez que oui, mais c'est sujet à confirmation de votre part.

Et là, maintenant, puisque nous parlons de taux, vous savez qu'en vertu de l'article 14 de cette même loi du Transport, tout détenteur d'une licence doit produire entre les mains du bureau de la Commission des transports une liste de ses taux et de ses horaires. Alors, c'est pour ça que je me demande si réellement les membres de votre Association auraient des horaires et taux fixés à l'avance, ou non?

R Peut-être qu'individuellement ils fixent leurs taux, mais de fait, je ne peux pas vous dire qu'en tant que le Gouvernement est concerné, qu'ils possèdent des taux fixes.

D Non, évidemment, ce serait individuellement. Alors, en fournissant à la Commission les éclair-

cissements relatifs aux membres de votre Association, à savoir s'ils sont détenteurs d'une licence en vertu de l'article 10 de la Loi des transports, pouvez-vous nous dire également s'ils produisent entre les mains de la Commission des transports les listes de taux prévues par l'article 14 de la même Loi des transports?

Maintenant, vous nous disiez que les navires, disent plutôt les membres de votre Association sont, pour la plupart, des individus qui opèrent leurs propres navires. Est-ce que je décris bien la situation en disant que dans la plupart des cas, ce sont des entreprises familiales?

R Dans plusieurs cas.

D En ce sens que c'est le père de famille qui opère l'entreprise, et puis qu'à un moment donné, quand les garçons sont d'âge, il reçoit un peu d'aide de ce côté-là?

R C'est ça, dans plusieurs cas, cela se présente.

D Est-ce que vous pouvez nous dire de quelle façon cela peut affecter le coût d'opération de ces navires, par exemple en ce sens que le propriétaire de navire n'aurait pas à employer un personnel étranger en nombre appréciable?

R Bien, évidemment, cela peut dépendre des salaires qu'ils se payent eux autres même, cela dépend du salaire que le père, par exemple, va payer à son garçon, ou même peut-être il y en a quelques-uns qui sont en compagnie, cela dépend du salaire qu'il retire comme capitaine du navire.

D A toute fin pratique, c'est leur propre profit qu'ils se donnent comme salaire, peut-être pas au point de vue général?

R Leur propre salaire ne devient pas une dépense fixe à rencontrer.

D Sur la plupart de ces navires-là, pouvez-vous nous dire quel est le nombre de personnel requis, y compris le capitaine?

R Il y en a à partir de quatre (4) jusqu'à douze (12), douze (12) ou treize (13).

D Pouvez-vous nous dire s'il s'est produit, disons au cours des cinq dernières années, des développements pour obtenir de la part de ces navires une plus grande efficacité, qui corresponde à une diminution de prix dans le coût d'opération?

R Des développements?

D Par exemple, le changement de la construction du bois à l'acier, ou bien l'obtention d'une vitesse plus considérable?

R Evidemment, la tendance actuelle des propriétaires de navires, c'est de posséder des vaisseaux en acier. Ils peuvent prendre, évidemment, comme je l'ai dit tout à l'heure, des plus grosses cargaisons, ce sont de plus gros vaisseaux, ils peuvent naviguer beaucoup plus tard et commencer plus à bonne heure.

D Est-ce qu'il y a tendance à remplacer de ces navires par des navires plus efficaces, ou si la tendance est plutôt d'utiliser, selon l'expression familière, les navires jusqu'à la corde?

R Non, le propriétaire de navire cherche

toujours à améliorer sa situation lorsque ses finances lui permettent, il cherche toujours à acheter un plus gros vaisseau.

D Je comprends qu'il cherche à améliorer sa situation, mais comme vous dites, il y a une question de finances dans ça. Je me demande jusqu'à quel point les propriétaires trouvent économique, plus économique de remplacer leurs navires, ou jusqu'à quel point ils considèrent de conserver un vieux navire?

R Ils considèrent que c'est plus profitable pour eux, évidemment, ils n'ont pas toujours le moyen financier de le faire, mais si leur position leur permet de le faire, ils cherchent toujours à acquérir un navire plus gros.

D En fournissant la liste des navires, est-ce que vous pourriez mentionner l'âge de chaque navire?

R Oui.

D Maintenant, pourriez-vous nous donner certaines statistiques sur la différence de coût d'acquisition, pour un propriétaire, d'un navire aujourd'hui, comparé au coût d'il y a dix (10) ou vingt (20) ans?

R Je pourrais vous fournir ces statistiques-là.

D La différence de coût?

R Oui.

D Et également, à cette occasion-là, nous dire plus précisément de quelle façon un navire construit aujourd'hui donne un service plus efficace qu'un navire construit il y a dix (10) ou vingt (20) ans.

Vous nous avez parlé aussi de l'acier qui permet aux propriétaires de navires d'opérer plus tard à l'automne et plus tôt au printemps. Est-ce qu'il y a également une question de vitesse qui est en jeu?

R Certainement, la question de moteur, grosseur du moteur.

D Alors, il serait intéressant de savoir jusqu'à quel point la vitesse obtenue aujourd'hui par les nouveaux navires est plus considérable que celle d'autrefois, deux fois plus considérable, ou cinquante (50) pour cent, ou nous donner une certaine idée du pouvoir?

R Maintenant, aussi, vous remarquerez que les propriétaires actuels ont tendance à s'équiper de radar sur leurs navires; ils ont le radio-téléphone, n'est-ce pas?

D Est-ce que cet équipement n'a pas pour objet simplement l'augmentation de la sécurité, ou si en plus cela permet un service plus efficace?

R Cela permet une plus grande rapidité de transport à cause du radar, et ensuite de ce, le radio-téléphone, évidemment, permet plus facilement de prendre un chargement à un endroit lorsqu'il y a un chargement qui peut être transporté par un de ces navires. Evidemment, on peut communiquer, un marchand qui veut faire faire du transport peut communiquer avec le capitaine; alors, s'il est dans la région, il peut arrêter et prendre le chargement.

D De quelle façon le radar donne-t-il une plus grande efficacité? Je comprends qu'il donne plus de protection?

R Evidemment, lorsque le temps est brumeux, par exemple, ou la température moins favorable, cela leur permet quand même de pouvoir naviguer peut-être un peu plus vite qu'ils le faisaient avant, à cause de la protection supérieure du radar.

D Maintenant, en ce qui concerne le chargement et le déchargement de ces navires, est-ce qu'il y a un équipement moderne, ou est-ce que la technique est mise à profit?

R Oui.

D Ou si tout se fait à la main?

R Ah. non, ils ont des équipements nécessaires pour sortir la marchandise des cales et la déposer sur les quais, la plupart.

D Plus souvent, est-ce que cet équipement fait partie du navire ou du quai?

R Plusieurs, c'est sur le navire.

D Est-ce que c'est un développement récent, ou si cela date déjà d'un bon nombre d'années? Une autre façon de poser la même question serait: est-ce que la plupart des navires possèdent un tel équipement, ou simplement un certain nombre?

R La plupart.

D La plupart l'ont?

R Oui.

D Savez-vous s'il y a tendance à perfectionner cet équipement-là? Savez-vous si cet équipement-là est plus efficace que celui d'il y a dix (10) ans, ou si vous n'êtes pas en mesure de le dire?

R Comme je vous disais tout à l'heure,

toute amélioration qu'ils peuvent apporter....

D Je comprends, mais au point de vue pratique?

R Au point de vue pratique, je pourrais vous fournir, évidemment, les renseignements que les améliorations ont été faites dans ce sens-là dans les dernières années.

D En ce qui concerne le salaire payé aux membres de l'équipage, je présume que je puis appeler le personnel de cette façon-là, à part le capitaine et le propriétaire, il a été proposé à la Commission, par les unions ouvrières - je ne me souviens plus dans quelle partie du pays - que des salaires minimums soient fixés par une législation fédérale. Est-ce que vous avez une opinion à exprimer sur une telle recommandation?

R Est-ce que cette union ouvrière a donné une idée des salaires minimums qu'elle voulait faire fixer, un aperçu du salaire?

D Non, et comme question de fait, pour vous expliquer un petit peu la perspective dans laquelle cette recommandation a été faite, c'est que certaines unions se sont plaintes que des navires opérés par exemple par une grosse compagnie, je ne sais pas si c'est le National-Canadien, mais enfin une compagnie de cet ordre-là, prétendaient ne pas pouvoir payer les salaires demandés par les unions ouvrières, à cause de la concurrence des petits navires qui payent des salaires moins élevés et, par conséquent, étaient capables de transporter la marchandise à

meilleur compte que leurs navires le seraient.

Une des recommandations proposée par l'union, c'était que tout le personnel de ces navires soit réglémenté, au point de vue salaire, par une législation fédérale?

R J'aimerais bien...je consulterai les membres de notre Association à ce sujet-là.

D On peut se demander quelle serait la nature des objections qui viendraient de votre part. Je comprends qu'un particulier doit toujours payer le salaire le moins élevé possible, pour supporter la concurrence, mais est-ce qu'il y a des objections particulières à ce sujet de vos gens?

R Avant de vous répondre, je préférerais consulter le bureau des directeurs. Pour donner un aperçu du salaire, je crois que le matelot est payé environ cent trente (130) dollars par mois.

D Pouvez-vous nous dire, nous parler un petit peu de la concurrence des navires britanniques qui opèrent au Canada, jusqu'à quel point cette concurrence des navires britanniques qui font du cabotage au Canada affecte vos clients ou les membres de votre Association, à l'heure actuelle?

R Ici, évidemment, si l'on considère le point de vue économique, ces gens-là peuvent faire réparer leurs bateaux à meilleur compte, ils peuvent payer des salaires plus bas. Ensuite de ça, vous prenez un exemple, il y a....

D Je comprends ça, tout ça, c'est en principe, mais au point de vue pratique, est-ce qu'il y a de la concurrence défavorable de la part de ces gens?

M. MARCEL BELANGER: Peut-être qu'il pourrait nous donner des exemples concrets?

R Comme exemple, je pourrais citer l'exemple du charbon de la Nouvelle-Ecosse qui est transporté à Montréal par des navires britanniques, chose que plusieurs de nos caboteurs pourraient faire. Havre Saint-Pierre, le minerai qui se rend dans les Grands Lacs, le minerai qui est extrait, et puis des Grands Lacs à Sept Îles, il y a une compagnie, par exemple, qui opère actuellement, c'est une compagnie grecque, Diane Shipping Company, qui a des vaisseaux qui transportent...

Me GERIN-LAJOIE: D Maintenant, est-ce que vous pouvez expliquer à la Commission certains cas où vos clients sont arrivés en concurrence précise avec des compagnies comme celle-là, lorsqu'il s'est agi de l'obtention de contrats de transport?

R Il y a certainement le cas de Forestville, dans le cas de l'Hydro.

D Comment ce cas-là s'est-il produit?

R Je pourrai vous donner les renseignements. Evidemment, il y a un mémoire qui a été présenté à ce sujet-là, parce que c'était un cas très frappant, où nos caboteurs ont perdu le contrat de ça, justement à cause de la concurrence.

D Est-ce que c'était vraiment une question de taux de transport?

R Je crois que oui, mais je vous donnerai des renseignements supplémentaires à ce sujet-là.

D Est-ce que vos clients transportent,

pour prendre l'exemple que vous donniez, une partie importante du charbon de la Nouvelle-Ecosse à l'intérieur du Saint-Laurent, vers les Grands Lacs?

R Non, je crois...je ne peux pas vous dire exactement quelle partie ils pourraient transporter,, mais je crois qu'ils en transportent une partie très minime, particulièrement à cause de cette concurrence-là.

D Vous n'êtes pas en mesure de nous dire si vos clients ont demandé, dans tels cas, d'obtenir le contrat de transport?

R Je pourrais vous citer des exemples, je pourrai vous en citer, parce que j'en ai encore. Evidemment, toutefois, des cas concrets...

D Un exemple qui a été donné à la Commission, dans un autre domaine, c'est le cas d'une compagnie de transport maritime qui avait fait des pourparlers pour obtenir le contrat de transporter des pommes de terre de l'Ile du Prince-Edouard - si ma mémoire est fidèle et je vous donne cela sous toute réserve - et puis finalement ce sont les chemins de fer qui ont obtenu le contrat. Justement, là, il y a eu intervention de l'un, il y a eu intervention à un prix inférieur, et finalement ce sont les chemins de fer qui ont obtenu le contrat.

J'aimerais savoir si dans le cas de vos clients une situation analogue ne se serait pas présentée, si certains de vos clients auraient demandé ou souhaiter contracter pour tel ou tel transport de marchandises, disons le charbon ou autre chose, et puis à ce moment-là

une compagnie britannique aurait obtenu le contrat à cause d'un coût d'opération inférieur?

R Je pourrais vous donner des explications. Evidemment, j'aurais aimé à ce que le président soit ici, mais ils sont en mer actuellement, il ne peut pas être présent.

D Vous comprendrez que votre Association est une des seules qui expose devant la Commission le point de vue des petits navires, alors que partout ailleurs, la Commission a entendu et entendra un bon nombre de représentations de la part des grosses compagnies de transport. C'est pour cette raison que je vous pose beaucoup de questions, et c'est pour ça qu'il aurait été utile d'avoir de vos clients ici.

R Qu'est-ce que vous voulez, ils sont en mer.

D Comme question de fait, si vous le jugez à propos, il vous serait permis de présenter vos clients à la Commission à Montréal ou ailleurs, si vous le jugez à propos, évidemment. Il s'agit de l'intérêt de vos clients autant que de l'intérêt général.

Il y a quelques instants, dans votre mémoire sur lequel j'aimerais vous demander des explications.....tout d'abord, pour poursuivre les questions que je vous posais.

A la page 1 de votre mémoire, dans le volume imprimé par la Commission, vous dites qu'il y a une expansion assez considérable du transport maritime par les petits caboteurs, comme on les appelle, je crois depuis la dernière guerre. Est-ce que vous

voudriez nous expliquer ce développement? De quel ordre est-il, et quelle en est la cause?

R C'est probablement les ressources naturelles dans le nord de la province qui donnent, qui peuvent donner un travail assez considérable aux caboteurs.

D Est-ce que vous envisagez le minerai de fer, en particulier, ou s'il y a autre chose?

R Le minerai de fer, le développement du Nord.

D Je me demande jusqu'à quel point ce minerai et ces ressources naturelles, en général, sont transportés par des petits navires, plutôt que par des navires aussi considérables que ceux qui peuvent passer par les canaux pour aller au Grands Lacs? Jusqu'à quel point est-ce que le transport se fait par des petits navires?

R Je crois que si le transport n'est pas fait plus par des petits navires, c'est justement, c'est un exemple. Je crois bien que je pourrai vous citer des exemples concrets.

D Vous dites qu'il y a expansion depuis la guerre. Vous pourrez peut-être nous donner certains détails sur la nature de cette expansion et les causes?

R Oui.

D En somme, il est assez important pour la Commission de savoir jusqu'à quel point le commerce fait par les petits navires de cabotage est en voie d'expansion ou en voie de récession, à l'heure actuelle?

R Certainement, je vous fournirai les

renseignements, les détails.

D Maintenant, si je me reporte à la page 3 du mémoire dans le volume imprimé, vous nous dites "The words "Foreign Country" mean any country other than Canada whether such other country is within the British Commonwealth of Nations or not", et puis vous nous avez cité un jugement de la Cour de l'Echiquier, je présume?

R Oui.

D A votre connaissance, est-ce qu'il y a eu des représentations faites au gouvernement canadien ou à certains ministères du Gouvernement canadien, à l'effet d'étendre cette interprétation au cas que vous envisagez?

R Je ne peux pas vous dire que les représentations ont été faites.

D Est-ce la première fois que la question est soulevée, ici, officiellement?

R Ça se peut, j'ignore s'il y a eu des représentations faites au Parlement dans ce sens-là.

D Et maintenant, un petit peu plus loin, vous nous dites, au bas de la page 4, "In construing the expression 'FOREIGN COUNTRY' as excluding other Nations of the British Commonwealth, that would be the normal, logical and disastrous result".

R Cela doit être le résultat désiré.

THE CHAIRMAN: What page?

MR. GERIN-LAJOIE: At the bottom of page 4.

Mr. Chairman.

THE CHAIRMAN: I think it is a mistake; it should be "desirable".

R Je veux dire que si l'on considère l'expression "Foreign Country"....

Me GERIN-LAJOIE: Je comprends, mais...

R Comme excluant les vaisseaux construits dans les autres parties du commonwealth, nous aurons pour le cabotage une plus grande protection.

D Est-ce que le mot "disastrous" est une erreur typographique, dans ce cas-là?

R Je vais lire la partie concernée, il se peut que ce soit une erreur. Je veux dire que l'expression "foreign country", nous soumettons que cette expression doit inclure....

D Je comprends bien, mais ce que je veux savoir, c'est si le mot "disastrous" est bon ou pas bon?

R Le mot "disastrous" devrait être remplacé par 'desirable'.

D A la page 5 du mémoire, vous dites "At the present time, the situation with regard to Canadian Coasting Trade is not only serious, but really alarming - (the word is not too strong) should the prevailing present situation continue to exist". Pouvez-vous nous expliquer de quelle façon la situation actuelle est, selon votre expression 'alarming', comment cela s'est manifesté?

R C'est évidemment la concurrence des navires étrangers, et je pourrai vous donner plusieurs exemples, évidemment, que j'ai déclaré devoir fournir à la Commission. Vous verrez par ces exemples-là

que la situation est sérieuse.

D Est-ce qu'il y a des propriétaires de navires qui ont cessé d'opérer depuis cinq (5) ou dix (10) ans, en nombre appréciable, ou est-ce qu'il n'y a pas eu expansion, comme vous le disiez tout à l'heure?

R Non, il n'y en a pas eu qui ont cessé d'opérer depuis dix (10) ans; il y en a quelques-uns, comme dans tous les commerces, mais pas actuellement. Jusqu'à date, évidemment, la concurrence se fait sentir, les premières années de la concurrence se font sentir actuellement. Alors, ce qui arrivera à l'avenir, nous ne le savons pas.

D Si vous pouviez nous donner des précisions sur la manifestation de cette concurrence, je crois que ce serait utile?

R Certainement.

D Pour que cela ne paraisse pas en contradiction avec l'expansion dont vous parlez ailleurs.

R Oui.

D Maintenant, un mot simplement au sujet de vos recommandations. Si je me reporte à votre première recommandation, vous proposez que le cabotage soit restreint aux navires enregistrés au Canada et qui opèrent avec des équipages canadiens. Vous n'avez aucune recommandation au sujet du lieu de construction des navires, à savoir si les navires faisant du cabotage devraient être construits au Canada plutôt que n'importe où ailleurs dans le commonwealth ou dans le monde?

R La recommandation est pour "Canadian registered vessels".

D Vous n'avez pas de commentaire à faire sur la proposition que le cabotage devrait être restreint aux navires construits au Canada?

R Nous soumettons, évidemment, sur des navires construits au Canada spécialement.

D Parce que si je comprends bien, vous n'en parlez pas dans vos suggestions?

R Evidemment, les caboteurs, actuellement, emploient des navires construits au Canada. Alors, si le commerce est restreint aux propriétaires canadiens, ils continueront à employer des vaisseaux construits au Canada.

D Est-ce que vos clients considèrent que les navires construits en Grande-Bretagne, s'ils peuvent être transportés ici, peuvent opérer à un coût moins élevé que les navires de vos clients et, par conséquent, faire une concurrence difficile à supporter, ou est-ce que ce point-là n'a pas été envisagé par vos clients?

R Les navires construits en Grande-Bretagne et enregistrés au Canada?

D Oui.

R Par un citoyen canadien?

D Oui, c'est l'hypothèse que je vous formule.

R Oui, je crois que je...évidemment, la plupart, tous les caboteurs ne vont pas chercher leurs navires, ne pensent pas d'aller chercher leur navires

en Grande-Bretagne ou ailleurs.

D Je comprends ça, mais il y a une concurrence possible de la part de ces navires construits en Grande-Bretagne?

R Evidemment.

D Est-ce que cela vous préoccupe, ou pas du tout?

R Evidemment, il serait préférable que les navires soient construits au Canada.

D Est-ce que cette question-là n'a pas été étudiée par votre Association?

R Dans notre première suggestion, nous recommandons que les navires soient construits au Canada.

D Un peu plus loin, si je me réfère à la page 11 de votre mémoire, vous dites "In our opinion, the most efficient protection would be the denunciation of the British Commonwealth Merchant Marine Agreement together with an appropriate legislation to protect the most vital interest of our Canadian Coasting Trade". Je me demande ce que vous envisagez sous l'expression "appropriate legislation to protect the most vital interests of our Canadian Coasting Trade"?

R A quelle page?

D A la fin du paragraphe 7.

R "Appropriate legislation"...

D Oui, qu'est-ce que vous envisagez?

R On envisage les amendements qu'on peut faire, évidemment, pour réglementer le cabotage au Canada. Le Canada, sans même dénoncer le British Commonwealth Merchant Marine Agreement, peut faire

des recommandations, des réglementations. Alors, nous soumettons qu'une réglementation appropriée doit être faite.

D Vous ne savez pas quel type de réglementation?

R C'est dans notre deuxième, à la page 18, notamment la passation d'examens par d'autres officiers, obligation d'avoir des propriétés au Canada pour pouvoir opérer un navire canadien.

D C'est ce que vous mentionnez dans les pages précédentes, mais pas d'autre point particulier?

R Oui.

Me GERIN-LAJOIE: C'est tout merci.

ET LE TEMOIN NE DIT PLUS RIEN.

Me GERIN-LAJOIE: Monsieur le président, le groupe suivant à comparaître devant la commission est l'Ecole de Marine de Rimouski.

REPRESENTATIONS DE L'ECOLE DE MARINE
DE RIMOUSKI.

M. le capitaine Jacques Gendron, officier commandant de l'Ecole de Marine de Rimouski:

Honorable président, distingués commissaires. Nous désirons vous remercier de l'opportunité qui nous est donnée, ce matin, de nous exprimer devant vous et nous demandons votre indulgence en ce qui concerne le rendement de cet exposé.

Afin de ne pas ajouter à vos lourdes charges, nous présenterons cette élaboration en anglais et en remettrons une copie française au secrétaire de la Commission.

Nous restons à votre disposition si vous désirez questionner, soit en français, soit en anglais, sur d'autres questions qui pourraient intéresser la Commission.

(Page 3017 follows)



Quebec
Take B
Sept. 28
JIN

1 MR. GENDRON: Honourable President and dis-
2 tinguished members, we wish to thank you for the
3 opportunity afforded to us to express our views and
4 opinions and we beg your consideration as far as
5 this elaboration is concerned so as not to over-
6 tax your already heavy duties. We propose to sub-
7 mit this address in English and we shall furnish a
8 French copy to the Commission. We shall, of course,
9 stay at your disposal for any questioning you may
10 wish to do as far as these remarks are concerned
11 and on any subject related to them that you may wish
12 to ask.

13 Upon the instance of the seamen of the Lower
14 St. Lawrence, in the Rimouski Technical School a
15 Department of Marine was started at this school in
16 1942, and in front of the growing demand it was
17 found necessary to construct, in 1947, a school,
18 which was lost at the 1950 conflagration.

19 In 1950, with the financial co-operation of
20 both Governments, another school was constructed
21 and has been operated there for the last five years,
22 in a five-storey building, comprising marine en-
23 gineering, radio-telecommunications, navigation
24 and so on. This school has now nine full-time
25 teachers and four part-time teachers. The Fed-
26 eral Government contributed half, with the Pro-
27 vincial Government, to the cost of our reconstruc-
28 tion, and the Federal Government is now owner,
29 through their Department of Transport, of the labora-
30 tory equipment and marine engineering, which means



1 a contribution of approximately \$800,000. We are one
2 of the special schools of the Ministry of Welfare in
3 Quebec, from whom we receive our annual operations
4 subsidies, also from whom we receive our administra-
5 tive directives.

6 Considering that well-qualified people have
7 been able to or will be able to express themselves
8 in front of you in matters concerning the harm done
9 to our Merchant Marine in general or our shipping
10 system in general, or to all the industries which
11 occupy themselves in rendering services to ships, or
12 in connection with ships, we would like to leave
13 aside altogether all instruction on those points, but
14 we would like also to join them and assure them of
15 our sympathy.

16 Our main purpose in being here in front of
17 you today would be to express our opinion of the
18 harm done to seamen or to all those other people who
19 wish to furnish services to seamen from, if you
20 prefer, the human side. In order to explain the
21 harm done to the seamen themselves we must cite the
22 following facts:

23 1, that a diminishing number of seamen have
24 been going up for examinations in order to certify
25 and themselves, although we know this is due in part
26 to the higher standard of examinations, we also
27 feel it is due to the fact that the seaman himself
28 directly feels the diminution of the number of
29 ships and the instability of his situation. So,
30 upon the first occasion, this seaman will leave his



1 situation in order to occupy another one in an indus-
2 try that can absorb him, and from this fact that the
3 number of seamen are diminishing regularly the time
4 will definitely come when the situation will require
5 the establishment of a pool of seamen, of foreign
6 seamen, like the pool that was established during
7 the last war. This pool during the last war occupied
8 practically a good fifty percent of all positions
9 on Canadian ships.

10 Between parentheses we would like to state
11 that the fact of the disappearance of our Merchant
12 Navy is highly due to the high cost of operations,
13 and we feel that when strangers occupy high positions
14 in Canadian ships they will not be able to take care
15 of ships the same as if a Canadian himself was doing
16 it, and the operation cost therefore goes up.

17 There is also the moral danger in the fact
18 that these seamen go out to other industries, because
19 they have to pass through a period of rehabilitation,
20 they have to adapt themselves to an abnormal situa-
21 tion, so for a period of time the citizen is more
22 or less unstable and cannot help his community.

23 We have also mentioned the fact that there
24 is quite a bit of harm done to young people who
25 wish to adopt this career as seamen. Every day we
26 have the opportunity to meet people who tell us:
27 "Now, I am in an industry now but I always feel
28 I would like to be a seaman."

29 Well, the sea is still quite agreeable to
30 these young people and there are still quite a lot



1 of them who wish to follow it. But when these young
2 people, who wish to go into this career, learn in
3 the newspapers every day that their Merchant Marine
4 is diminishing and that more and more we see foreign
5 ships trading the coast in Canada, they lose their
6 interest and they go somewhere else; but all the time
7 they keep in mind the fact that they may have been
8 better off if they had been seamen, that probably
9 they would have been right in their sphere, and it
10 sets them back throughout their lives. There is no
11 doubt that if coasting in Canada has one market less
12 for a Canadian ship, from that our young people see
13 their ambitions not killed but, rather, abashed, and
14 must arrange themselves somewhere else.

15 We therefore pray the Commission to take into
16 consideration the fate of these seamen, also the fate
17 of these young people who wish to go into that. In
18 brief, we have therefore recommended that proper
19 steps be taken in order to diminish the 'unloyal'
20 competition made by British ships, so that more of
21 our Canadian ships will have work and more of our
22 Canadian seamen will therefore be satisfied.

23 Thank you very much.

24 THE CHAIRMAN: Thank you.

25 MR. GERIN-LAJOIE: Q. Mr. Gendron, I be-
26 lieve you mentioned the diminishing number of
27 young men coming up for examination in the school,
28 is that correct?

29 A. That is a fact. I didn't bring any
30 statistics with me but I will gladly supply them to



1 you, but I can tell you that there is a difference
2 of fifteen students between last year and this year.
3 We have just commenced our term at the school, in
4 September. Last year we began the course with
5 twenty-seven students in navigation and this year
6 we start with seven.

7 Q. Do you see any particular reason for
8 this declining number?

9 A. Yes, I think I mentioned a little bit
10 earlier that that is due directly to the news that
11 we see in the newspapers every day whereby we find
12 there has been 126 Canadian ships turned over to
13 the British flag, and the next time we see where the
14 Governments have decided to cancel all subsidies and
15 not study the matter any further, and I feel that
16 that news affects these young people.

17 Q. You realize that the facts you have
18 just mentioned are related to international trade
19 and not coasting trade, and that that would be out-
20 side the terms of reference of this Commission?

21 A. No, sir, I feel this is directly in
22 line, international trade and coasting trade.

23 COMMISSIONER WICKWIRE: Q. The transfer
24 was made four years ago, wasn't it?

25 A. Yes, sir, but it is probably the fact
26 that I have only mentioned last year's statistics.
27 If I furnish statistics, you will find the number
28 has been diminishing gradually for the last four or
29 five years.

30 I mention only the fact that those ships



1 were transferred to the British flag, but I might
2 also mention the fact that a company like Imperial
3 Oil, who had eleven ships in 1946, now has two ships,
4 or the fact that Saguenay Terminals Limited, who
5 had eleven ships up until two years ago, now have
6 only one ship under the Canadian flag. I feel this
7 news affects directly the young people who wish to
8 adopt that as a career.

9 MR. GERIN-LAJOIE: Q. Could you tell the
10 Commission whether other schools of a nature similar
11 to yours have been operating in the Province of
12 Quebec or in the St. Lawrence region in the past few
13 years?

14 A. The Rimouski Marine School is the only
15 school in Canada that has for a function the prepara-
16 tion of young people to become officers in the Merchant
17 Navy, inasmuch as the number of schools operating in
18 the last few years has been diminishing. Three years
19 ago they abolished the Yarmouth School. In Quebec,
20 of course, we are still here, but the number is not
21 very encouraging.

22 Q. Am I right in assuming that someone
23 who wishes to become an officer in the Merchant
24 Navy on the coasting trade does not have necessarily
25 to go through a school of that type?

26 A. That is right, sir. In order to be-
27 come a Merchant Navy officer, you can do two things;
28 you can either go directly on a ship and put in a
29 stage of time, which is according to the certifi-
30 cate which you wish to go up for, or you can go to



1 a school. If you go to an approved school, the stage
2 of time that you have to put in before you become an
3 officer is diminished accordingly.

4 Q. How long is the course? Does it cover
5 a few years?

6 A. Yes, sir, the radio-telecommunication
7 course is one year. We have two courses in naviga-
8 tion, one of one year and one of two years, and a
9 course in marine engineering, which is three years.

10 Q. What other requirements are there be-
11 fore entering the school?

12 A. The other requirements before entering,
13 the boy must be sixteen years old and he must have
14 obtained at least his tenth grade certificate of
15 his elementary school, and then he must supply us
16 with a medical certificate and an eyesight certifi-
17 cate, if he goes in navigation, or a hearing test if
18 he goes in radio communication.

19 Of course, if you allow me, he must also
20 have to have a list of references as to his past
21 conduct in the schools which he attended.

22 Q. Would you agree or disagree with the
23 suggestion that the number of young men preparing
24 to become seamen should adapt themselves to the
25 requirements of shipping, and that it be not a
26 case of shipping adapting itself to the requirements
27 of the young men becoming seamen?

28 A. Yes, but I mean to say, I came up here
29 to present the human side. It is a fact that if
30 the Merchant Marine has just a few ships, we need



1 a few seamen; but the seaman himself who has been
2 at sea for ten or fifteen years, if he finds the
3 bottom of his career is knocked out, it is not very
4 pleasant; and I don't agree with you, because I
5 feel these seamen should carry on their careers and,
6 if necessary, this "disloyal" competition should be
7 taken away from us.

8 THE CHAIRMAN: Q. What does that word
9 "disloyal" mean?

10 A. Excuse me, sir.

11 MR. GERIN-LAJOIE: Q. Unfair?

12 A. "Unfair", I guess.

13 Q. You mentioned the case of a seaman al-
14 ready employed in the Merchant Marine, but would you
15 go so far as to say that there isn't any demand to
16 prepare a young man to become a seaman if the require-
17 ments of our shipping did not justify it? I am not
18 suggesting that. I am just wishing you to comment
19 on this.

20 A. You are turning it around so funnily
21 that I don't know exactly what you mean, but I feel
22 that a young man who wishes to become a seaman
23 should have the opportunity to do so, the same as
24 if he wishes to become a lawyer or any other branch.
25 He should have the opportunity to do so so that,
26 throughout his life, he is not faced with the fact,
27 "Well, I should have been a lawyer."

28 Q. Do you mean we should create positions
29 for lawyers just because we may wish to become
30 lawyers?



1 A. No, I feel the unfair competition should
2 be taken away so the seamen really have a chance.

3 COMMISSIONER BELANGER: Q. Taking the example
4 of the lawyer, I think you would not like lawyers
5 from other countries coming here, practicing law,
6 so you want the same?

7 A. Yes. I didn't answer the question that
8 the distinguished lawyer put up to me. I answered
9 it my own way, if you like.

10 Yes, I certainly would not like an unloyal
11 or unfair competition to come up in front of anybody
12 in Canada who wishes to start and become somebody.

13 MR. GERIN-LAJOIE: That is all, Mr. Chairman.

14 THE CHAIRMAN: Thank you very much.

15 MR. GENDRON: Thank you very much, sir.

16 MR. MUNDELL: I think that concludes all
17 the submissions here, Mr. Chairman.

18 THE CHAIRMAN: Well, I do not think I should
19 adjourn the sessions of the Commission here without
20 saying how much the Commission appreciates the
21 assistance given by those who have so carefully pre-
22 pared and so well presented briefs for the Commis-
23 sion in this city. I also simply add repetition
24 of the assurance that we shall give this most diffi-
25 cult problem the very best consideration we are
26 able.

27 Thank you.

28
29 ---The Quebec hearing concluded at 12.17 P.M.

Hearing held at Three Rivers, Que.,
commencing at 2.00 p.m. on the 29th
of September, 1955.

PRESENT:

THE CHAIRMAN, The Honourable Mr. Justice
W.F. Spence.

Mr. W.N. Wickwire, Q.C.)	} Commissioners
Mr. M. Bélanger, C.A.)	
Mr. D.W. Mundell, Q.C.)	} Commission Counsel
Mr. Paul Gérin-Lajoie)	
Mr. H. Kemp	- Economic Adviser to the Commission

----Mr. P. Cimon - Assistant Secretary.

THE CHAIRMAN: Sittings in Three Rivers of
the Royal Commission on Coa ting Trade. Will Mr.
Bélanger open the proceedings, please?

M. MARCEL BELANGER: C'est une séance de la
Commission royale d'enquête sur le cabotage, et je
crois comprendre que Monsieur le maire a quelques
mots à nous dire.

M. LAURENT PARADIS, maire des Trois-Rivières:

Honorable président de la Commission royale
d'enquête sur le cabotage et Messieurs les commissaires,
je vous demande la permission de faire entendre notre
commissaire industriel, M. Ouellet, qui vous fera part
de notre rapport.

Mr. Chairman and gentlemen: I ask your kind
permission to allow Mr. Ouellet, our Industrial

Commissioner, point out to you the highlights of the brief we have the honour of submitting to your Commission.

MR. GERIN-LAJOIE: Mr. Chairman, may I first call for any appearances, so that we may have a list of those persons appearing before the Commission.

Monsieur le président, pour suivre la procédure habituelle, je crois qu'il serait dans l'ordre que les personnes qui ont l'intention de faire des représentations à la Commission s'identifient. Nous en avons déjà deux de la cité des Trois-Rivières qui comparaît par l'entremise de son maire et de son commissaire industriel. Les autres personnes qui ont l'intention de s'adresser à la Commission voudront bien s'identifier.

MR. CLAUDE BISSON: Mr. Chairman, I am Claude Bisson and I am appearing on behalf of the Junior Chamber of Commerce of Three Rivers, and with your kind permission, I will have a few recommendations to submit to the Commission with respect to the brief of the Corporation of the City of Three Rivers.

MR. GERIN-LAJOIE: Any other person or group wishing to appear, in Three Rivers, before the Commission?

Monsieur le président, je crois que nous allons procéder avec le mémoire de la Cité des Trois-Rivières.

M. MARCEL OUELLET: Monsieur le président, Messieurs les commissaires: Au nom de la Cité des Trois-Rivières, je voudrais vous présenter les vues que nous vous avons exprimées par écrit au cours du

mois de juin.

Avant de commenter le rapport, je vous demanderais de bien vouloir prendre note de deux erreurs qui ont été faites dans l'exemplaire français du rapport. A la page 3, dernier paragraphe, on y lit "Une analyse financières des états financiers publiés par le Conseil des Ports Nationaux, démontre que seul le port des Trois-Rivières de tous les ports de l'Atlantique et du Saint-Maurice.....", il faudrait lire "du Saint-Laurent" au lieu de 'Saint-Maurice'.

A la page 5, premier paragraphe, on y trouve ".....Elles se composent de six groupes de denrées". Il faudrait lire 'cinq groupes de denrées'.

Monsieur le président, la Commission royale d'enquête qui a été formée en vertu d'un arrêté ministériel du comité du Conseil privé a des responsabilités bien établies. Avant de commencer mon exposé, je voudrais vous dire que nous, de la Cité des Trois-Rivières, comprenons que ces responsabilités ne se limitent pas seulement à la législation sur le cabotage, mais à tout ce qui s'y rattache indirectement.

Le port des Trois-Rivières est administré par le Conseil des ports nationaux, qui est un organisme de la Couronne, c'est-à-dire sous le contrôle du gouvernement fédéral et que, par conséquent, il incombe au gouvernement fédéral de présider ou de préparer les voies au développement de ce port et à dicter au Conseil des ports nationaux la politique ou la ligne de conduite à suivre.

Je dis donc que le port des Trois-Rivières

fait partie, en raison de l'importance de son cabotage, des responsabilités de votre Commission d'une façon indirecte; qui dit cabotage dit également besoins de port, besoins de port intérieur pour le mouvement des marchandises.

Nous avons expliqué dans le mémoire que le port des Trois-Rivières vivait du cabotage dans une proportion de 90%. En effet, sur le nombre de navires qui visitent notre port, il y en a 2,600 qui font du cabotage en moyenne par année, depuis les dernières années, et environ 300 qui sont des océaniques, représentant respectivement pour le cabotage 2 millions de tonnes de marchandises et pour les océaniques 300,000 tonnes.

Notre port vit surtout des importations domestiques dans une proportion de 78% et vous voyez, à la page 5 du mémoire, les groupes de denrées qui sont manipulées dans le port des Trois-Rivières. Vous avez pris connaissance du mémoire et je ne voudrais pas répéter, pour ne pas allonger cette séance, ces groupes de denrées qui y sont indiquées et qui font partie du transport de cabotage dans notre port.

D'autre part, les exportations se limitent pratiquement à deux denrées, le papier à journal et les grains.

Nous avons dans la région 200 industries. Cette région économique des Trois-Rivières comprend les villes des Trois-Rivières, le Cap de la Madeleine, Shawinigan Falls, Grand-Mère, La Tuque, Louiseville et les autres petits centres qui avoisinent ces villes.

En chiffre d'affaires, la moyenne, d'après les statistiques officielles du gouvernement, pour l'ensemble de la production de ces villes, est d'environ 400 millions.

Le papier à lui seul ne constitue seulement que 8% de la valeur de la production, 8% je veux dire des exportations par le service de notre port. Comme presque la grande partie, presque 100% de toute la production est vendue à l'étranger, vous comprenez que le reste est expédié par chemin de fer ou par camions. A n'en pas douter, la canalisation du Saint-Laurent aura pour effet d'augmenter le volume des exportations par bateaux des Trois-Rivières aux Etats-Unis, particulièrement, lesquelles exportations, autrefois, surtout aux Etats-Unis, se faisaient surtout par chemin de fer et une faible partie par camions.

L'honorable Lionel Chevrier, dans quelques causeries qu'il a prononcées, a estimé entre 30 à 35 millions de tonnes les mouvements des produits qui se feront dès que la voie maritime du Saint-Laurent sera ouverte jusqu'aux Grands Lacs. Là-dessus, Monsieur le président et Messieurs les commissaires, nous n'avons aucun doute. Nous sommes portés à croire que le volume sera même supérieur, parce que le mouvement des denrées qui se fera dans la partie industrielle du Canada, des Grands Lacs et des Etats-Unis aura pour effet, sur la partie américaine, de raccourcir le transport d'environ 500 milles. Voilà une économie appréciable.

Nous soumettons que le port des Trois-Rivières,

afin de faire face à l'énorme augmentation de trafic qu'apportera la canalisation du Saint-Laurent, ne peut répondre à la demande, parce que, actuellement, même avec 10 millions de tonnes, notre port n'est plus suffisant. Nous demandons que la Commission recommande au ministère des Transports ou aux autorités compétentes du Gouvernement que le port des Trois-Rivières qui comprend, comme l'explique le mémoire, une limite, c'est-à-dire une étendue d'environ 10.7 milles à partir de la pointe de Lottenville jusqu'à la Pointe-du-Lac, soit développé afin de faire face à la situation.

Nous demandons par conséquent que le port soit agrandi immédiatement d'au moins 4,000 pieds de longueur et que des entrepôts servant à l'emmagasinement des produits y soient construits à cette occasion-là.

Ce matin, vous vous êtes rendu compte qu'une partie du port des Trois-Rivières, tout près de la traverse des Trois-Rivières, était complètement inappropriée, complètement inutile, et, par conséquent, une perte pour la ville des Trois-Rivières et les industries, et une perte également pour le Conseil des ports nationaux. Il s'agirait tout simplement de faire refaire cette partie qu'on appelle le marché à poisson ou les quais marchands, lui donner une allure plus moderne, afin que les bateaux puissent y accoster et s'en servir.

Nous demandons également que le Conseil des ports nationaux s'occupe de faire le déménagement de la Charbonnerie Saint-Laurent à ses propres frais. Il serait complètement hors de raison de demander à

la Charbonnerie Saint-Laurent d'assumer les dépenses de ce déménagement. Je crois que le Conseil des ports nationaux devrait en assumer tous les frais, dans le meilleur intérêt de la ville des Trois-Rivières, Nous avons remarqué - les statistiques le prouvent et les journalistes l'ont également noté à plusieurs reprises dans des rapports - que le charbon est un embarras parce qu'il constitue un tas de saleté pour les magasins et ceux qui résident aux alentours du port. Alors, nous soumettons que la Charbonnerie devrait déménager à l'Ouest, pour un meilleur service.

Vous aurez remarqué ce matin, au cours de votre visite du port, que nous avons un des beaux ports du Canada, En effet, d'après les statistiques émanant des Conseils des ports, le port des Trois-Rivières ce place cinquième par rapport aux ports du Canada, et deuxième en importance, venant immédiatement après celui de Montréal et avant Québec et Sorel.

La ville de Québec, le port de Québec a à son service un ingénieur qui s'occupe de la préparation des plans et qui voit à l'entretien du port. Nous considérons qu'il serait temps que le Conseil des ports nationaux ait à son service, avec résidence aux Trois-Rivières, un ingénieur qui s'occuperait des besoins du port, afin que nous ne devions pas toujours nous retourner ou nous déplacer vers Ottawa pour expliquer notre cause.

Nous avons aussi souligné que sur les 200 industries qui produisent dans notre région, il y a environ seulement 8% du papier, par exemple, qui est

expédié par la voie maritime, les autres industries chimiques, métallurgiques, etc., ne se servant à peu près pas du port. Pourquoi? Parce qu'ils n'en connaissent pas les avantages. Nous ne voulons pas critiquer l'administration du Conseil des ports nationaux; nous considérons que c'est un organisme désirable, mais nous ne voulons pas, non plus, dans l'intérêt de la municipalité et de la région, que les autres ports bénéficient de la production de la région, au service d'un autre port, parce que c'est normal, lorsqu'un Conseil des ports nationaux, qui érige une série de ports, a une proposition de transport, il dit simplement "nous avons de l'espace à Montréal, à Québec", et le Conseil en retire quand même des revenus. Ici, nous sommes privés de ces revenus, de même que nos arrimeurs.

Nous avons également demandé l'établissement d'un port franc sur le fleuve Saint-Laurent. Nous ne voulons pas prétendre que Trois-Rivières doit avoir à elle seule le port franc. Nous voulons que le Gouvernement étudie les avantages et les désavantages d'un tel port franc. Par exemple, nous savons, à ce que l'on en dit, que le port de New York doit son développement à l'établissement d'un port franc. Nous constatons, nous considérons plutôt que cela pourrait aider à l'établissement d'industries nouvelles, à cause du mouvement considérable de marchandises qui se fait à travers le monde. Je ne voudrais pas discuter plus longuement les avantages et les désavantages d'une telle proposition. Je désire tout simplement appeler l'attention de la Commission à ce sujet, pour qu'elle suggère

aux autorités compétentes l'étude de cette importante question.

Quant à la législation sur le cabotage, il y a tellement de controverse, il y a tellement de difficultés à considérer, tellement de responsabilités à établir, que nous nous demandons s'il ne serait pas sage, pour le moment, de garder pour quelques années, par exemple deux ou trois ans, la liberté de transport pour les navires battant pavillon britannique, à une condition: que seuls les bateaux déjà en existence et qui sont enregistrés comme tels auprès du gouvernement canadien aient ce droit jusqu'à telle année, disons 1957 ou 1958. Après cette date, le Gouvernement sera en mesure d'appliquer une nouvelle loi limitant la construction des navires à l'étranger, en ce sens que tous les bateaux qui feraient du cabotage au Canada devraient être construits au Canada, devraient également avoir à leur service un équipage correspondant à celui qui est demandé ou exigé des cabotiers canadiens, et payer à peu près les mêmes salaires.

Comme conclusion, nous vous avons dit que le port des Trois-Rivières était un de ceux qui offrait des avantages économiques les plus importants sur le long du fleuve Saint-Laurent. Si nous voulons réellement profiter de la canalisation du Saint-Laurent, si nous voulons réellement que les industries qui demandent des sites industriels en bordure de la voie maritime s'établissent chez nous, nous avons un besoin urgent que le Conseil des ports nationaux construise des quais pour répondre aux besoins.

Nous savons que la canalisation du Saint-Laurent est basée sur des probabilités. Nous avons établi par exemple qu'on manipulerait 40,000 à 45,000 tonnes par année de produits de plus, ce sont des probabilités. Nous, ici, nous représentons, nous prétendons que nous avons un besoin urgent de l'extension du port qui s'appelle le port des Trois-Rivières, non seulement Trois-Rivières, mais au Cap de la Madeleine. Dans le mémoire, nous citons le cas de deux industries qui ont dû s'établir ailleurs et d'autres qui attendent actuellement qu'on leur fournisse des facilités de havre pour s'y établir. Pourquoi? Parce que nous avons ici, en abondance, de l'électricité, permettant l'établissement d'industries de base comme par exemple les réfracteurs ou encore des raffineries de métaux divers, et pour apporter ces matières premières ou les expédier à l'extérieur, il faut nécessairement que ces industries soient établis en bordure du Saint-Laurent.

Nous avons également souligné que le port des Trois-Rivières n'était pas suffisamment connu. Nous voulons qu'il y ait de la promotion de faite, et peut-être même irions-nous jusqu'à dire que le Conseil des ports nationaux devrait avoir un comité local du port des Trois-Rivières, afin de s'occuper de cette promotion, et nous tenons à ce que le port soit encore sous la régie du Conseil des ports nationaux.

Mr. Chairman and members of the Commission, the City of Three Rivers has presented a brief that you have already read. In this brief, we are making some requests which are not directly

connected with the responsibilities of your Commission, but as we said in French, coasting trade is impossible before you get adequate harbour or port facilities.

We also stated that the St. Lawrence seaway will create an enormous increase in the movement of goods from the Atlantic to the Great Lakes, and the port of Three Rivers should become and has to become a transshipping port or harbour, in order to take advantage of this increase in the movement of goods, of this transshipment. The port of Three Rivers has to be extended, I know it is outside your responsibilities to advise the Government as to what the extension should be, as to what policy should be adopted, but we feel that your Commission has been set up to enquire into all the problems connected with the development of the St. Lawrence seaway. As Canadians, we want to benefit from this seaway; this seaway has to benefit Canadians first.

We submit that something should be done in order to attract new industries and to increase the movement of goods from our port.

We contend that a permanent, resident engineer should be appointed for Three Rivers, in order to prepare the estimates and to look after the improvements of the port.

We also maintain that a traffic manager should be appointed, whose duties it would be to go and visit the industries in Three Rivers and district, and pointing out to them the savings they would make in using the port facilities, when the seaway is completed.

We also want that the government study the possibilities of establishing a free port along the St. Lawrence River, in order to take advantage of the enormous movement of goods going to the Great Lakes. We want the government to study the advantages and disadvantages of a free port which, as we are told, was the impetus of the development of some of the American ports.

We further submit that some of the facilities already established in the port should be moved away or re-allocated, and that some parts of the wharf which are dismantled be repaired, to the advantage of the stevedores and industry at large.

We also submit that better connections across the St. Lawrence River should obtain, because we realize that the south shore residents cannot participate to the life of our port unless adequate connections are assured. The City of Three Rivers has a very good ferry boat service, but modern economics necessitate fast transportation facilities to-day. We submit that industry as well as the exploitation of our natural resources, and part of the south shore of the St. Lawrence River should take advantage of the magnificent port of Three Rivers. In order to do so and to save time to these industries having to transport their goods from the south shore to the port of Three Rivers, we contend that a bridge should be built. The local Chamber of Commerce, during the past two years, has been spending a lot of time and money in examining the whole situation.

We hold that the National Harbours Board should do as it has done in Montreal, where according to statements made recently by Hon. George Marler, they are building a bridge, I mean another bridge, across the St. Lawrence River, for economic purposes, We therefore feel that a bridge should also be built here.

Mr. Chairman and members of the Commission, you have, in this brief presented to you, a lot of statistics. I am not going to comment on them, because I feel that you have already seen them, It is very important that this Commission which has been formed of the best advisers in Canada should take into consideration the fact that this part of the country should be developed to the advantage of Canada.

Me GERIN-LAJOIE: Monsieur le président, le mémoire original soumis par la Cité des Trois-Rivières, tel que produit entre les mains de la Commission, comprenait certains tableaux qui ne semblent pas avoir été reproduits dans le volume des mémoires publié par la Commission. En plus, la Cité des Trois-Rivières produit aujourd'hui un tableau supplémentaire numéro 4. Alors, je suggérerais respectueusement que tous les tableaux de 1 à 4 inclusivement soient produits comme pièce numéro 75, à l'appui du mémoire de la Cité des Trois-Rivières.

Et maintenant, Monsieur Ouellet, je vais vous poser quelques questions pour éclaircir certaines affirmations contenues dans le mémoire de la Cité des Trois-Rivières, ou pour vous demander de justifier un peu l'avantage de certaines de vos conclusions.

D Tout d'abord, vous parlez des activités industrielles du port des Trois-Rivières. A la lecture du tableau numéro 3, je constate que les réceptions au port des Trois-Rivières sont en/^{très}grande majorité celles qui proviennent de caboteurs, par opposition à celles qui viennent d'océaniques. Par exemple, en 1953, vous avez reçu au-delà de deux millions de tonnes de marchandises provenant des caboteurs, alors qu'il n'y avait que 264,000 tonnes provenant des océaniques. Par ailleurs, lorsqu'il s'agit d'expéditions, la situation est complètement renversée. Etes-vous en mesure de nous dire si cela signifie que les navires océaniques qui viennent ici recevoir de la marchandise pour expédition arrivent vides ou partiellement vides?

R La plupart...vous parlez des expéditions, n'est-ce pas?

D Les expéditions?

R La plupart sont des océaniques surtout qui prennent ici les expéditions de papier ou encore de grains, qui descendent, par exemple, de Montréal et qui arrêtent ici, en revenant, pour s'approvisionner pour l'Europe ou d'autres pays.

D Est-ce que vous pourriez nous dire pourquoi, en particulier, puisque vous parlez du grain, il y a des élévateurs à grain aux Trois-Rivières..

R En 1930, 1928 ou 1930, le port desTrois-Rivières était sous l'administration d'un comité local, mais sous la juridiction du ministère des Transports. Ce comité local, voyant que le port des Trois-Rivières n'était pas suffisamment développé et qu'à la suite de

la canalisation du Saint-Laurent de Trois-Rivières à Montréal nous perdions tout le trafic qui était ici, il s'agissait de faire quelque chose. Alors, ils ont entrepris des démarches auprès d'hommes d'affaires et ils ont réussi à les convaincre d'établir ici, pour le service de retour, un élévateur à grain de trois millions de boisseaux. Je puis vous dire que toutes les améliorations qui ont été faites au port des Trois-Rivières ont été de grandes réalisations, parce que depuis que le Conseil des ports nationaux a assumé la direction du port, en 1936, moins de \$600,000, a été dépensé en dépenses capital sur le port, alors que sous l'administration locale, nous avions presque un peu plus de cinq millions. Il y a des dépenses, des travaux, évidemment, qui se sont continués lorsque le Conseil des ports nationaux a pris l'administration, mais c'était commencé avant.

D Pour nous en tenir à l'exemple du grain, pour bien comprendre la situation, vous me dites que les bateaux océaniques prennent une partie du grain à Montréal et viennent ici compléter leur cargaison. Est-ce que vous connaissez la raison pour laquelle ce grain a été entreposé aux Trois-Rivières plutôt qu'à Montréal, alors que les bateaux font ce voyage partiellement vide de Montréal jusqu'ici?

R Il arrive très souvent que les océaniques à Montréal ne peuvent pas s'approvisionner assez rapidement; c'est une des raisons principales. Alors le grain est amené ici. Au lieu de perdre cinq ou six jours à attendre à Montréal, ils se chargent ici, pour s'en retourner.

D Est-ce que je suis bien informé en disant que les élévateurs à grain relèvent de l'entreprise privée et non pas des ports nationaux?

R C'est exact.

D Maintenant, pour en venir tout de suite à vos recommandations, est-ce que vous croyez que le développement du port des Trois-Rivières doive dépendre exclusivement de l'Etat et particulièrement du Conseil des ports nationaux, sans que l'entreprise privée ait quoi que ce soit à y faire?

R Je crois que l'entreprise privée a fait énormément de choses, mais étant donné que le port Des Trois-Rivières possède déjà des surplus accumulés considérables, et en dépit du fait qu'on nous ait coupé les surplus accumulés, constitués par exemple du surplus et de la réserve pour remplacer un surplus coupé en 1952, qui dépassait les deux millions, en coupant la valeur des terrains de près de \$200,000. et en la réduisant à \$60,000. nous considérons que ces surplus - et d'ailleurs c'est la loi des Ports nationaux, c'est une loi formelle au moins qu'ils doivent être remplacés - nous considérons que cet argent-là, qui est déjà là, doit être dépensé dans notre port, parce que c'est lui qui l'a gagné.

D Vous parlez du développement, pour l'avenir, dans le port des Trois-Rivières. Est-ce que vous croyez que le développement du port des Trois-Rivières devrait être fait sans savoir exactement quelles seront les exigences du transport maritime?

R Nous suggérons que le Conseil des ports nationaux, en conjonction avec le développement de la voie maritime, prépare un plan d'ensemble, ou un comité local, afin de prévoir les effets de la canalisation, parce que comme dans toute chose, si on y va à la bonne franquette, nous n'aboutissons à rien. Nous savons qu'il existe des possibilités, une demande, mais nous ne voulons pas que le port soit développé d'une façon anormale. Nous demandons qu'un plan d'ensemble soit établi, afin de prévoir les effets et ensuite l'importance de l'industrie qui s'établira dans la région.

D En parlant de l'établissement de l'industrie, est-ce que vous croyez que c'est le développement du port qui devrait provoquer ou amener l'industrie, sans savoir si cela se produira, ou si ce n'est pas habituellement l'inverse dans chaque région économique?

R C'est peut-être l'inverse. Tout d'abord, vous avez l'exemple très bien connu qui est basé sur des probabilités. On n'a pas attendu de savoir exactement si un monsieur un tel qui fabriquait, par exemple, à Toledo ou ailleurs ferait affaire avec ses facilités; on a dit "Monsieur, nous allons construire les facilités, ensuite vous vous en servirez".

D Est-ce que ce n'est pas parmi les exigences du transport du blé de Fort William à Trois-Rivières? Alors, il y a une justification, une exigence économique.

R C'est une partie des exigences.

D Je vous demande, c'est pour vous aider à étayer votre cause davantage, est-ce que vous croyez que le développement de l'industrie devrait précéder le développement du port?

R Je vais vous donner un exemple concret. Je suis en relation avec deux industries de produits de base. Nous nous sommes déplacés à Ottawa, afin de savoir si la Commission construirait un port. On nous a répondu "nous avons de l'espace à Québec, nous en avons à Montréal", mais nous, nous répondons "nous voulons l'industrie ici, nous avons les moyens de la financier, parce que vous avez un surplus. Nous voulons que nos jeunes demeurent ici pour trouver de l'emploi". C'est comme le type qui construirait une maison et un contracteur qui en construit des centaines, même mille maisons, elles ne sont pas vendues..

D Etes-vous sûr?

R La plupart du temps, il les construit, la demande existe, mais il a créé la demande. Nous, c'est la même chose. Nous disons "donnez-nous les facilités, nous aurons les industries, parce que nous avons le pouvoir, nous avons les communications".

D Le pouvoir électrique?

R Oui, et nous en avons, à part ça!

D Est-ce que je peux vous demander un petit éclaircissement sur une phrase que je trouve à la page 8 du volume publié par la Commission? Vous parlez du commerce qui se fait entre Trois-Rivières et les ports américains, Buffalo, Cleveland, Toledo, etc., et vous dites "Si les restrictions sur le cabotage

sont levées, permettant aux océaniques de faire du commerce intérieur entre le Canada et les Etats-Unis, il est fort probable que les ports du Saint-Laurent, sauf peut-être Montréal, perdront une grande partie de leur trafic actuel". D'abord, je me demande, là, s'il n'y a pas confusion ici entre le cabotage et le commerce international, parce que lorsqu'on envisage du transport maritime de Montréal ou des Trois-Rivières vers les ports américains des Grands Lacs, je crois qu'il s'agirait là de commerce international?

R Oui, je crois.

D De toute façon, est-ce que ce commerce-là, à l'heure actuelle, ne peut pas être entrepris par n'importe quel navire étranger, même non britannique, comme le commerce international, même celui qui vient d'Europe?

R Vous me posez une question assez difficile à répondre. Je ne suis pas assez au courant de la législation sur le cabotage, sur le commerce maritime, pour vous répondre d'une façon assez intelligente. Seulement, nous, ici, nous prévoyons que les restrictions...c'est ce dont vous parlez, n'est-ce pas?

D Les restrictions à quoi? C'est ça que je ne comprends pas, parce que actuellement il n'y a pas de restriction sur le commerce international. Un navire allemand peut venir aux Trois-Rivières prendre de la marchandise et l'apporter...

R Si par exemple on donnait le droit aux océaniques de faire du cabotage dans tous les ports du Canada, nous n'aiderions certainement pas à notre

marine qui s'occupe du cabotage, du commerce intérieur, et ce serait au détriment, par conséquent, des Canadiens.

D Maintenant, pour continuer les questions que je vous posais au sujet du rôle des Ports nationaux et du gouvernement fédéral d'une part, et de l'entreprise privée d'autre part. Vous avez mentionné le cas du déplacement souhaitable, selon la Cité des Trois-Rivières, de la Charbonnerie Saint-Laurent. Est-ce que vous croyez que ce soit là une initiative qui relève du gouvernement fédéral, de cet organisme, ou est-ce que vous ne croyez pas concevable que ce soit la responsabilité, que cette question relève de la municipalité des Trois-Rivières, dans un but d'urbanisme, ou autres raisons du même genre?

R Nous avons établi au début que le Conseil des ports nationaux était une propriété de la Couronne, un organisme de la Couronne. Nous avons établi également que le Conseil des ports nationaux s'occupait de l'administration du port. Nous avons aussi établi qu'il appartient au gouvernement fédéral et, par conséquent, au Conseil des ports nationaux de voir au développement normal et rationnel du port. Nous ne concevons pas que la ville des Trois-Rivières fasse du travail sur un terrain qui ne lui appartient pas. Nous faisons des représentations ici afin de protéger notre monde, notre avoir et notre industrie. Alors, nous concevons et nous disons que ce déménagement, dans le meilleur intérêt, pour l'urbanisme de la ville, doit être fait le plus tôt possible aux frais du Conseil des ports nationaux qui loue à la Charbonnerie Saint-Laurent.

D J'aimerais vous poser un certain nombre de questions au sujet de l'établissement d'un port franc. Pouvez-vous me dire quels avantages la Cité des Trois-Rivières envisage retirer d'un tel établissement?

R Il y a des avantages et des désavantages. Je ne suis pas une autorité en la matière de l'établir immédiatement, mais si nous constatons, si nous étudions un tant soit peu ce que les ports francs ont fait dans les autres pays, au point de vue par exemple de la main-d'oeuvre, la circulation des produits, etc., nous considérons que ce mouvement de marchandises qui sera fait doit l'être au bénéfice des Canadiens. A ce sujet, je voyais par exemple un article dans The Gazette du 14 décembre dernier, et voici un groupe d'industriels américains qui ont obtenu que le gouvernement de cette place établisse un port franc, et on dit, par exemple, que cette municipalité et ce pays en retireront d'innombrables avantages, en plus de créer une demande en vue de créer, par exemple, de la main-d'oeuvre, c'est-à-dire des sources de revenus, que la main-d'oeuvre favorisera le développement pour toute la région, d'une façon indirecte.

D Est-ce que vous ne croyez pas que la législation des autres pays peut être différente de la nôtre, puisque dans notre pays le gouvernement fédéral rembourse 99% des droits de douane qui sont payés à l'avance sur des produits importés qui sont utilisés dans la fabrication de produits qui sont exportés? A toute fin pratique, est-ce qu'on n'a pas le même résultat?

R Vous pouvez avoir le même résultat, mais il y a une différence: c'est lorsque vous demandez au gouvernement fédéral de vous rembourser le 99%, il faut attendre au moins presque un an avant que le gouvernement pour rembourser, et vous comprenez très bien qu'une industrie ne peut pas compter sur les finances du gouvernement pour mener ses intérêts; il lui faut de l'argent. C'est prêté au gouvernement, il est là, mais même si vous vous présentez à une banque pour avoir un emprunt, cela ne comptera pas, c'est de l'argent qui dort et qui devrait plutôt servir au développement de l'entreprise.

D Quand vous dites que cela ne comptera pas, est-ce que cela ne sert pas comme garantie de l'emprunt qu'on désire faire à la banque ou ailleurs?

R Difficilement.

D Est-ce que l'établissement d'un port franc n'a pas le grand désavantage de limiter à une région très restreinte les avantages que vous attachez à un port franc?

R Je crois qu'il vaut la peine de considérer l'affaire. Je ne veux pas dire que je suis en faveur. Nous demandons dans le mémoire qu'on établisse des ports francs. Je crois que déjà le fait de donner des sources de revenus à une population qui grandit, compenserait, je crois, pour les autres désavantages. Vous avez ici le cas des Trois-Rivières. Notre jeune population doit s'expatrier à l'extérieur. Alors, il nous faut faire quelque chose. Nous songeons à tous les moyens. Nous pensons que les ports

francs pourraient stimuler les affaires, pourraient peut-être aussi amener plus tard, une fois l'établissement d'un port franc, son déménagement dans une autre zone, c'est-à-dire en dehors des ports francs et continuer permanemment.

D Est-ce que vous croyez que ce serait une attraction suffisante d'avoir un port franc aux Trois-Rivières, s'il y en avait d'autres à Montréal, Québec, en Ontario?

R L'industrie s'établit généralement là où les avantages économiques sont les meilleurs. Alors, une industrie qui s'établit, qu'elle s'établisse à Québec, à Shelter Bay ou à Sept-Iles, elle se localise d'après les avantages économiques qu'elle peut en retirer.

D C'est parce que j'essaie de voir, et c'est pour ça que je vous demande des explications, si l'établissement d'un port aux Trois-Rivières, s'il y en avait à d'autres endroits, si réellement cela donnerait les résultats que vous croyez?

R Je crois qu'il y a des avantages économiques que nous possédons, tels la force motrice et un port de mer, qui élimineraient une grande partie des concurrents.

Me GERIN-LAJOIE: Je n'ai pas d'autre question pour la Cité des Trois-Rivières.

Me GERIN-LAJOIE: Pour les fins du dossier, Me Claude Bisson comparaît au nom du Jeune Commerce des Trois-Rivières Inc.

Me CLAUDE BIS SON: Monsieur le président, Messieurs les commissaires: Nous avons pris connaissance de l'intéressant mémoire que vous soumet la Corporation de la Cité de Trois-Rivières. Nous désirons en féliciter nos administrateurs municipaux et en particulier monsieur Marcel Ouellet, commissaire industriel, qui a pris l'initiative de ce travail.

The facts stated in this memorandum are very good proof that the City and District of Trois-Rivières cannot expect to benefit from the three times increased activity which will result from the canalization of the St.Lawrence River if our harbour is maintained in its present formula.

Infact, our harbour is no longer apt to satisfy our present needs. What will happen when the St.Lawrence seaway is completed?

Your Commission has been appointed to inquire about coasting trade, and as is shown in the City's memorandum, 80 to 90 per cent of the vessels which come to our port are engaged in the coasting trade. So, we respectfully submit that our problems deserve your consideration.

Among the suggestions stated in the memorandum, there is one in particular which we want to endorse: the enlargement of the wharves and the building of sheds.

How could we hope to have more vessels coming to our harbour if we are not in a position to accommodate them, and if we have no room to store the goods?

We presume that the aim of the Canadian Government is not only to maintain the harbours as they are, but to improve them in such a way that they can keep pace with and help the economical progress of our various shipping centres. For that reason, we submit that the suggestions outlined in the City of Trois-Rivières' brief should be favoured with your consideration and approval.

The memorandum also emphasizes the importance of maintaining the present restrictions on the coasting trade and we agree. Furthermore, we wonder if the provision in the Canada Shipping Act allowing coasting trade to British ships only should not be amended, and restricted to Canadian ships only.

We understand the possible objections, but we wonder if the present situation is in perfect harmony with the constitutional evolution of our country, especially during the recent years?

At this time, I would like to quote a statement, an excerpt from the report of the Committee on Imperial Relations of the Conference of 1926, commonly called the Balfour statement:

"Ce sont des communautés autonomes dans l'empire britannique, d'un statut égal, aucune n'étant subordonnée à l'autre, sous aucun aspect de leurs affaires intérieures ou extérieures, bien qu'elles

soient unies par une allégeance commune à la Couronne, et librement associés comme membres de la communauté des nations britanniques".

Such an amendment allowing the coasting trade to Canadian ships only would surely, it seems, result in the creation of a strong Canadian merchant shipping.

Ce sont là quelques remarques que nous soumettons humblement à votre considération en marge du mémoire de la Corporation de la Cité des Trois-Rivières. Nous vous prions, monsieur le président et messieurs les commissaires, de croire à notre plus entière collaboration.

Me GERIN-LAJOIE: Monsieur le président, j'aimerais poser une ou deux questions à Monsieur Bisson, qui sera peut-être en mesure de les éclaircir pour la Commission.

D Vous mentionniez tout à l'heure que l'évolution constitutionnelle du Canada avait été considérable et que peut-être, à cause de cela, nous devons envisager, au Canada, un changement dans notre législation concernant la marine et le cabotage. Est-ce que vous croyez que les restrictions actuelles soient le résultat d'exigences politiques entre le Canada et la Grande-Bretagne, ou plutôt le résultat d'exigences économiques?

R Voici, monsieur le président, je ne sais pas si je parlerai des résultats, mais ces restrictions, il me semble, ont été créées à un moment où notre pays était encore dans un état de colonialisme, et il me semble que si j'approchais le point de vue

économique, qui est dans mon domaine, que nous avons dans ces restrictions un vestige de colonialisme qui, dans d'autres domaines de notre vie politique, a été établi durant les 25 ou 30 dernières années.

D Est-ce que vous ne croyez pas que si l'on faisait disparaître la restriction actuelle, ou que si plutôt l'on imposait une nouvelle restriction au cabotage, on augmenterait le coût du transport au Canada?

R Le coût serait peut-être augmenté, mais pas grandement. Une marine marchande canadienne plus forte, une augmentation dans nos chantiers maritimes, j'estime que les reflets se feraient sentir sur toute la vie économique du Canada.

D Est-ce que les avantages seraient supérieurs aux désavantages que pourrait créer la restriction en permettant seulement aux vaisseaux canadiens de faire le cabotage au Canada? Si vous envisagez le cas particulier des industries dans la région des Trois-Rivières, qui dépendent, dans une mesure appréciable, du cabotage pour les matériaux qu'elles utilisent dans la construction, dans la fabrication de différents produits, est-ce que vous ne craignez pas qu'une augmentation, quelle qu'elle soit, dans le coût du transport, comme les restrictions que vous proposez, pourrait causer des ennuis économiques considérables à ces industries?

R Bien, voici, monsieur le président. Actuellement, les industries de la région, les industries locales ne se servent pas beaucoup de notre port

et du cabotage pour leurs opérations. Est-ce que c'est dû au fait que notre port ne répond pas à leurs besoins, ou au fait que les autres moyens de transport sont plus commodes ou plus avantageux, je ne suis malheureusement pas en mesure de me prononcer. Il y a un point certain, c'est que notre port ne répond pas aux besoins de l'industrie. Actuellement, c'est que nous ne jouissons pas, n'expédions pas de notre port.

D Je parle d'un changement possible de législation. D'après les tableaux produits entre les mains de la Commission, le cabotage est la source de réception de marchandises en quantités très appréciables, qu'il s'agisse du bois, du charbon, des produits pétrolifères, tout cela vient, dant une grande mesure et selon le mémoire, du cabotage. Est-ce que vous avez envisagé la possibilité d'augmenter le coût de ces marchandises, comme résultat d'un coût de transport augmenté?

R Vous parlez de la réception?

D Oui?

R Oui, bien la réception, actuellement, se fait en immense majorité, comme le mémoire le souligne, du cabotage et non des océaniques. Alors, j'estime que même si les restrictions étaient resserrées, si l'on ne permet qu'aux vaisseaux canadiens, même si cela entraîne une augmentation du coût de transport, si l'on ne permettait qu'à des vaisseaux canadiens de faire le cabotage, je soumets que le port des Trois-Rivières pourrait en bénéficier et que la marine marchande canadienne pourrait aussi en bénéficier.

D Est-ce qu'il n'en résulterait pas une augmentation appréciable?

M. MARCEL BELANGER: Pour répondre à cette question-là, il faudrait savoir quelle est la proportion des arrivées de marchandises dans le domaine du cabotage qui se fait par des cales canadiennes ou celle qui se fait par des cales britanniques.

D Est-ce que vous auriez^{ces}/chiffres-là?

R Nous avons la proportion des caboteurs canadiens par rapport aux britanniques.

D Prenons le bois pour le moment. Est-ce que cela arrive en grande partie par le cabotage?

R Oui, je crois, pour le bois, ce sont les caboteurs canadiens.

D Pour le bois, cela ne peut pas changer grand-chose. Le charbon?

R Le charbon, ce sont plutôt des caboteurs étrangers.

D Dans des cales britanniques?

R Oui.

Me GERIN-LAJOIE: D Les produits pétrolifères aussi?

R Oui.

M. MARCEL BELANGER: Les produits pétrolifères aussi?

R Oui.

M. MARCEL BELANGER: Merci, Monsieur Bisson.

MR. GERIN-LAJOIE: Mr. Chairman, I understand that the general manager of the St. Lawrence Corporation Limited, who was not here at the opening of the hearing, has asked to be heard, and if you are in agreement with his request...

THE CHAIRMAN: I noticed very lately that the mayor of Cap de la Madeleine was in and I believe he has some photographs as to the damage in his port, damages to the water facilities, riverfront, which might be added as exhibits.

M. ANDRE JULIEN (maire du Cap de la Madeleine):

Monsieur le président, messieurs les Commissaires: Tout d'abord, je désire, au nom de la cité du Cap de la Madeleine, souhaiter la bienvenue aux membres de la Commission dans nos villes des Trois-Rivières et du Cap de la Madeleine.

Tout à l'heure, vous avez entendu des rapports qui indiquent l'importance du développement du trafic fluvial dans nos deux villes, ainsi que de l'importance de la production manufacturière. Le "Year Book" de 1955 indique que la production manufacturière du Cap de la Madeleine, en 1952, était de 28 millions quelques cent mille dollars, tandis qu'en 1953 elle était passé à 37 millions, d'où nous pouvons conclure qu'en 1955, malgré que je n'aie pas de chiffres officiels, elle doit être environ 50 millions.

Maintenant, de par la géographie de la Mauricie, Shawinigan Falls dont vous avez une idée, presque toute la production manufacturière s'en vient indirectement au Cap de la Madeleine. Nous avons des quais qui sont actuellement longs d'environ 350 à 375 pieds.

Les photographies que je vous ai soumises ce matin indiquent l'état déplorable de ces quais.

Nous avons constaté - malgré que les comparaisons soient toujours odieuses - que les quais de villages comme Batiscan, Champlain, sont en meilleur état que ceux du Cap de la Madeleine.

Je comprends que votre Commission s'occupe du cabotage. Conséquemment, s'il n'y^a/pas de quai, il est très difficile pour un bateau de naviguer ou d'accoster ou de faire des opérations profitables. Alors, il est certainement opportun, dans les circonstances, de souligner ce fait, et je sais que vous vous ferez un devoir de faire rapport à qui de droit de l'état pitoyable des quais du Cap de la Madeleine et de leur développement qui devrait être prévu et qui est absolument nécessaire et essentiel.

Nous avons actuellement sur ces quais en mauvais ordre un hangar de 60 pieds par 120 qui est loué actuellement par Trois-Rivières Shipbuilding, et je crois qu'il est ancien, parce que si notre quai du côté est était allongé d'environ 3,000 pieds et qu'il y ait un hangar de 400 pieds par 75 pieds, bien déjà je puis vous assurer que j'ai un locataire sérieux, solvable, qui s'engage à louer ce hangar au prix qu'exigerait la Commission des ports nationaux.

Le hangar actuel contient environ 1,500 tonnes, pendant qu'un bateau ordinaire, un bateau de cabotage canadien peut charger 3,000 tonnes. Il n'y a aucune grue, aucun outil susceptible d'aider le chargement ou le déchargement des bateaux. C'est vous dire que

je ne crois pas que cela a été uniquement parce que la Commission, soit des Ports nationaux ou du cabotage n'ont pas à coeur de remplir leur mandat, mais il y a peut-être eu un oubli un peu de notre côté. De plus, il ne faut pas oublier que si en 1940 la ville du Cap de la Madeleine avait une population de 11,000 âmes et 22,000 en 1953, nous sommes en droit de croire qu'elle sera de 30,000 ou plus en 1960, et tout cela en plus d'une production manufacturière de près de 50 millions et peut-être même plus.

Alors, j'ai l'agréable devoir de vous soumettre bien humblement que dans la ville du Cap de la Madeleine il se fait des choses quand même, au point de vue économique et que nous serions heureux - nous ne vous demandons pas un miracle - mais simplement de vous pencher un peu sur les besoins du Cap de la Madeleine, sur la nécessité d'allonger le quai, surtout du côté est, parce que du côté ouest nous touchons à la rive du sanctuaire de Notre-Dame du Cap, qui est devenu un lieu de pèlerinage.

Nous constatons que la ville des Trois-Rivières est entourée d'eau partout et c'est très difficile de voir où s'étendre. Au cap de la Madeleine, il y a un oasis, c'est le sanctuaire, où les millions de pèlerins qui viennent chaque année peuvent jouir du magnifique fleuve Saint-Laurent que nous avons, et c'est pourquoi le quai doit être construit plutôt du côté est, à l'eau profonde.

Actuellement, la profondeur de l'eau est de 25 à 35 pieds au quai; elle devrait être d'au moins 35

à 45 pieds, si je me fie aux chiffres de Monsieur Parent, qui me dit que St.Maurice Paper Mills sont à dépenser un montant considérable pour chauffer leur usine à l'huile et que les facilités actuelles sont tout à fait insuffisantes pour permettre à des bateaux, à des "tankers" en bon français de venir leur livrer environ 90,000 gallons d'huile par année.

Maintenant, nous devons remarquer qu'il n'y a qu'une traverse, qu'un seul pont des Trois-Rivières. En cas de guerre, en cas d'accident, si vous voulez, qu'on ne peut prévoir, toute la production manufacturière de la Mauricie est forcément obligée de passer par ce pont, tandis que si le développement naturel se faisait, parce qu'en somme je dois avouer que le quai des Trois-Rivières, si j'en crois ce qu'on me dit, c'est toujours en faveur de l'aménagement des quais des Trois-Rivières, pour que le cabotage se développe dans le port, et l'amélioration du quai du Cap de la Madeleine serait profitable.

Alors, messieurs, j'attire votre attention sur ce fait, parce qu'en face de la canalisation qui s'en vient, nous devons d'abord voir au quai existant et au cabotage qui existe chez nous depuis des siècles, et vous aurez pu constater, d'après les photographies que j'ai montrées ce matin au président et aux membres de la Commission, dans quel état déplorable étaient les quais du Cap de la Madeleine, et qu'en réalité, nous avons été complètement oubliés.

Messieurs, mes considérations se bornent à ces simples remarques. Je vous remercie enfin de

votre attention. Je ne doute pas que vous apporterez à votre tour, à Ottawa, un agréable souvenir de votre passage chez nous et surtout, au point de vue pratique, que vous n'oublierez pas les constatations que vous avez faites, surtout pour le message que je dois vous transmettre à l'effet que le Cap de la Madeleine a été, je pense bien que c'est le mot propre, certainement oublié un peu dans son quai et dans son port.

Me GERIN-LAJOIE: D Monsieur Julien, est-ce que vous aimeriez à produire au dossier les photographies que vous avez montrées aux membres de la Commission ce matin?

R I have a copy of our memorandum presented to the National Harbours Commission last March, and I am very pleased to add to this the photographs that you saw this morning.

Me GERIN-LAJOIE: Monsieur le président, nous allons produire comme pièce numéro 76 un mémoire de la Cité du Cap de la Madeleine au Conseil des ports nationaux en date du 30 mars 1955.

Nous allons produire comme pièce numéro 77 une liasse de neuf (9) photographies, montrant divers aspects du quai et de la région du Cap de la Madeleine.

M. ADRIEN JULIEN: Il me fait plaisir d'ajouter, avec la permission du président de la Commission, qu'il y a des milliers et des milliers de tonnes de marchandises qui sont expédiées à Montréal actuellement par camions, parce que nos ports de la région n'offrent pas assez de facilités de déchargement. C'est un désavantage

d'abord pour l'industrie et en même temps c'est quelque chose qui devrait normalement être expédié par nos ports. Ici, dans nos ports des Trois-Rivières et du Cap de la Madeleine, et bien, on est obligé d'expédier par camions à des centaines de milles de distance, et s'il y avait un développement de nos ports, des accommodations, il n'y a pas de doute que tous ces charge-ments de centaines de milliers de tonnes seraient expédiés de chez nous, et en passant, je voudrais recommander et souligner l'importance d'avoir une administration locale de nos ports, soit aux Trois-Rivières, soit au Cap de la Madeleine, qui s'efforcerait de les développer, tout en étant sous la juridiction du Conseil des ports nationaux ou le Conseil national du cabotage. Dans toute entreprise, si nous n'avons pas de vendeurs, et bien les concurrents s'organisent pour que nos affaires ne soient pas tellement fortes. Alors, si nous avons une administration locale, je ne doute pas que le cabotage ainsi que le développement de nos ports s'accompliront dans peu de temps.

Thank you very much.

Me GERIN-LAJOIE: D Est-ce que vous pourriez expliquer, pour la Commission et pour les fins du dossier, ce que représente chacune des photographies. Tout d'abord, je vous montre la photographie qui est bien marquée pièce numéro 77, et qui porte la lettre "A"?

R Ceci explique le remblai fait en béton qui protège les passagers qui vont du sanctuaire au quai, qui est la propriété du gouvernement fédéral

et qui est en train de se désagréger et qui, sous peu, par les glaces, l'eau et le froid, sera complètement rendu inutile pour protéger la route, route qui s'en va au quai.

D Et maintenant, la photographie "B"?

R La même chose. Vous constatez les trous, c'est du travail encore fait par le gouvernement fédéral, et c'est la protection du chemin qui s'en va au quai et qui est en train de se désagréger, vous le voyez par les trous.

D Et la photographie "C"?

R La même chose.

D La photographie "D"?

R Simplement la grandeur des quais et l'importance relative du hangar qui est là, que le gouvernement fédéral va louer, qui n'appartient pas au port, mais qui sert à la réparation d'une partie du quai, à un entrepreneur local.

D Est-ce ce que nous voyons sur cette photographie, en dessus du quai?

R Pratiquement, parce qu'il y a 15, 20 pieds, ici, c'est tout.

D A propos, le port du Cap de la Madeleine sert-il à des fins commerciales?

R En autant que faire se peut, seulement il n'y a même pas d'espace raisonnable pour un navire transatlantique.

D Et que représente la photographie "E"?

R Celle-ci, la largeur du chemin qui est construit. Le danger, ceci n'est pas pavé...la partie

droite est l'ancien chemin qui passe à travers le sanctuaire, un chemin pavé de 10 pieds de largeur environ, qui est tout cassé et qui est dangereux pour les pèlerins et qui ne peuvent plus s'en servir. Tout ça, c'est la propriété du gouvernement fédéral.

D Toute la photographie est la propriété des Ports Nationaux?

R Oui.

D Et la photographie "F"?

R La même chose, mais indiquant le chemin encore plus clair.

D Que représente la photographie "G"?

R L'état déplorable des quais en face de Three Rivers Shipping, le hangar tout à fait insuffisant qui existe actuellement.

D Et la photographie "H"?

R Montre encore que c'est le quai, il ne reste pas de quai, et que le reste va s'effondrer dans le fleuve.

D La photographie "I"?

R L'état du pavé, c'est toujours encore la propriété....

D De quel chemin s'agit-il sur cette photographie?

R Toujours encore le chemin qui va au Cap, parce que c'est le chemin du sanctuaire, mais l'édifice du fédéral finit ici, à peu près.

D Est-ce que cette photographie est prise du quai, vers l'intérieur?

R Oui.

D Et la propriété des Ports nationaux finit à peu près au poteau de téléphone ou de télégraphe que nous voyons?

R Oui, et j'ai indiqué même le ciment qui a été fait pour protéger le chemin, qui est déjà insuffisant.

D Vous indiquez en ce moment la partie droite de la photographie?

R Oui.

MR. C.D. JENTZ, manager of the newsprint division of the St. Lawrence Corporation Limited.

Mr. Chairman, members of the Royal Commission on Coasting Trade: Representing as I do one of the major industries in our City, I would first like to commend our Industrial Commissioner, Mr. Ouellet, for the very complete brief he has prepared and the very effective manner in which he has presented it.

Speaking more particularly for our own corporation, we feel that in this proposed extension of the local harbour facilities there are certain problems involved, in which we are directly connected.

I would like to point out that any proposed extension of the harbour in a westerly direction, of course, would take such extension almost across our water frontage. I think I should point out that our present method of wood handling in our plant is such that we depend very much on the water right that we have, the booming areas which we have set up, that

is for the movement of our wood as well as for storage, which is necessary to level out the irregularity in which our wood is received, and for that reason, that problem would have to, I feel, be very carefully considered.

One other point as proposed in Mr. Ouellet's brief, the moving the St. Lawrence Coal wharves in a westerly direction, adjacent to that of the Dominion Coal wharves. We don't take to that for one reason: we don't fancy the idea of a coal company handling that in our backyard. We would also like to point out that this proposal is naturally of a very long range nature, and we would suggest that serious consideration be given to establishing the coal handling operations in a much more westerly direction, that is probably at the extreme westerly limit of the present Harbour Board's authority.

Again speaking for our corporation, we are heartily in accord with the various things which have been proposed. Certainly, any improvements to the harbour facilities are of interest to us. We bring into our plant something like 250,000 cords of wood a year, the bigger part of which comes by water. Our production at this one plant of ours is approaching 250 tons of paper a day, and we see the possibility of a greater proportion of that being shipped by water, as the water handling facilities are improved. We would like to be kept informed of any progress in this connection.

We are especially interested in cases that

we might be involved in. We foresee the situation whereby if all the wharf facilities are improved, our present roads, such as harbour roads, wharfage and anchorage and what not could be increased. We would like to be kept informed as to what extent we would be affected, and we are personally interested in any westerly extension of the facilities, and we would like to be kept informed of what is going on, with regard to that project.

Thank you very much.

MR. GERIN-LAJOIE: Mr. Chairman, I should like to ask a few questions to Mr. Jentz.

Q. Mr. Jentz, do I understand that your company is engaged in the paper industry?

A. Paper making, that's right.

Q. Are your premises situated on National Harbours Board's property or on your own private property?

A. Now, I am not too clear on that. I know that we have certain water lots, but also it is my understanding that the National Harbours Board authority extends up as far as our plant, and maybe a little beyond, I am not too clear on that.

Q. You don't know who owns the premises on which you operate?

A. We, the St. Lawrence Corporation owns it.

Q. You are the owners of it?

A. Absolutely.

Q. You are definite in saying that it is not under lease from the National Harbours Board,

or do you say you are not too clear on that point?

A. I am not too clear on that question; the water lots fronting our property are under lease from the National Harbours Board.

Q. And the other part of the premises you occupy is owned by your Company in full right?

A. That's right.

Q. Can you tell us what materials you use in the manufacturing of your paper, and where it comes from?

A. What is that?

Q. You use pulpwood for the manufacturing of paper?

A. That's right.

Q. From where does this pulpwood come?

A. Well, that comes from...it originates from many, many sources, most of the water borne wood comes from down the river, then from our own operations, from Trinity Bay, other parts are picked up from wood jobbers along the Gulf, some of that comes up on so-called lake type of boats, and the bigger part of it on schooners.

Q. The part that does not come by schooners, does it come down the river?

A. We float a certain amount, a small part, right from Louiseville, we boom it.

Q. Does your company own a number of schooners itself?

A. No, we own none.

Q. Do you have contracts for the movement

of the wood by schooners with a number of private owners?

A. That's right, exactly.

Q. Are there any schooners on the river from up North, or only for the wood coming through the St.Lawrence River?

A. Well, as far as we are concerned, only from the St.Lawrence.

Q. All the wood which comes from the St.Maurice River?

A. Not from the St.Maurice River.

Q. Where does it come from, apart from the St.Lawrence River?

A. Only the St.Lawrence.

THE CHAIRMAN: Q. You have no limits up the St.Maurice?

A. No, we have not.

MR. GERIN-LAJOIE: Q. The schooners used for the transportation of your wood, can you tell the Commission whether they are under Canadian registry or British registry, to a certain extent?

A. Well, I am reasonably sure that they are all Canadian registry. These schooners have no gear facilities and they probably carry 200 to 250 cords and operate only on the river.

Q. Do I understand that none of the wood you use comes in larger ships?

A. Well, only in lakers, in take-type boats.

Q. What are the companies with which you deal?

A. They are all Canadian companies.

Q. Would you mention one name?

A. The Hall Corporation, which hauls most of our wood.

Q. Is it the only company of which you use the services?

A. I believe that's right, as far as I know, it is all.

Q. As regards the export of your paper, does a large part of it go out of Three-Rivers by water?

A. That varies a great deal. We ship, of course, a certain amount of paper going to Europe out of Three Rivers during the shipping season, and we generally ship quite a lot up to the Great Lakes, part by again lake-type of boats.

Q. Could you tell the Commission approximately what proportion of your production of paper goes out by water from Three Rivers?

A. Well, I would say in, probably a normal year...now, that's not this year; this year, we have practically shipped no paper by boat, that is lake boats, but that's unusual. I would say that in a normal year, we might ship as much as 50,000 tons, both export and domestic.

Q. By water?

A. By water, yes.

Q. What would be your full production?

A. Our full production is something over 200,000 tons.

Q. When you mention exporting to the lake ports, do you mean Canadian ports, or any American ports?

A. No, American ports only.

Q. Is that export by water done through Canadian shipping companies?

A. Entirely.

Q. For the purposes of the record, would you mention the approximate weight of a cord of pulpwood?

A. Well, it would run, roughly, 4,000 pounds wet weight, wet wood.

THE CHAIRMAN: Q. Of the portion of pulp or paper which you ship abroad, what type of ships carry that portion?

A. Ocean-going vessels; that's probably not very clear.

Q. Are they U.K. vessels, Canadian, American or Scandinavian?

A. Well, we have our stevedore here.

MR. DESMUND MALONE: It all depends where you are shipping, what country you are shipping to. If you are shipping to New Zealand, the line that goes there is U.K., U.K. owned ships. If you are shipping to....it all depends who has the contract, who goes there, it depends on the company that has to do it.

THE CHAIRMAN: Do you ship any of it in Canadian bottoms?

A. No.

Q. Why?

A. I don't know, they just don't come here.

Q. Pardon?

A. They just don't come here.

MR. D.W. MUNDELL, Q.C.: Q. Do you arrange the shipping, or is it arranged by the purchaser?

A. That's right.

MR. GERIN-LAJOIE: Mr. Chairman, I have no more questions, and I believe there is no further group wishing to appear before your Commission.

-----The witness retires.

THE CHAIRMAN: We have heard representations, of course, upon the main topic of our considerations, whether or not there should be restrictions on Coasting trade, and those representations, because of all the others which we have received and which we will receive, will be considered in an attempt to advise the Government of our recommendations in connection with that very difficult problem.

We have also heard other representations which, as Mr. Ouellet pointed out, were not directly within our considerations. It is our intention to deal with those representations by referring them to the proper departments of government, for their attention: the extension of the wharf facilities, the repair of facilities which exist and the re-location of wharfage, the appointment of a resident engineer, and that is a matter for the Department of Transport and the National Harbours Board, and it will be referred to them.

Now, when we deal with the establishment of a free port, I suggest that we have had one other recommendation on that question of a free port, and it is very, very far from here; it was in Newfoundland. I, myself, have to convince myself that it is within our terms of reference, and we will have to consider what we shall do with those recommendations.

Finally, with respect to the recommendation that a bridge be built across the St. Lawrence River, I suggest that surely you are talking to the wrong group. If it is a bridge from one place in the Province, to another, I have some reason to suspect that the Premier of this Province is quite close and can hear what you say easily, and any recommendation as to that should surely be made to the Province. I realize that it is navigable waters, and therefore there would be restrictions as to the type or opening or whatever form of bridge is proposed, and that would entail the Dominion Government's participation in both the planning and the cost, but nevertheless it would be a work of the Provincial government, and a work controlled and directed by the Provincial government, and therefore I suggest that that recommendation cannot have any place in our considerations.

Now, in closing, I am going to say and I am going to ask Mr. Bélanger, who, better than I can, in a language which I very seldom attempt to use, to tell you that we very much appreciate having received

your careful representations at this hearing, and insofar as it is within our power to deal with them, we shall give them our very best consideration.

M. MARCEL BELANGER: Il me fait plaisir, au nom de mes collègues, de remercier tous ceux qui nous ont fait des représentations, et soyez assurés, comme le président le faisait remarquer tout à l'heure, que nous prendrons toutes vos recommandations en sérieuse considération, les unes directement liées à notre mandat et les autres ne l'étant pas, nous nous empresserons, comme le disait le président, de les transmettre à qui de droit.

Notre séjour aux Trois-Rivières a été des plus intéressant, des plus instructif, et nous voulons vous en remercier bien cordialement.

----La séance est levée à 3.55 p.m.

(Translation)

ROYAL COMMISSION ON COASTING TRADE

UNOFFICIAL TRANSLATION OF
French into English of
Quebec City, Three Rivers
and Montreal Proceedings.

Supreme Court Reporters
145 Yonge St.
Toronto.





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UNOFFICIAL TRANSLATION OF FRENCH EVIDENCE

taken in: QUEBEC CITY
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I N D E X

	<u>Page</u>
MR. WILFRID HAMEL (Mayor of Quebec) ...	2803
MR. ALPHONSE PROTEAU ...	2807
SUBMISSIONS OF THE QUEBEC BOARD OF TRADE ...	2811
MR. LOUIS PRATTE ...	2811
MR. YVES POISSON ...	2811
MR. MARC TURCOTTE ...	2831
REPRESENTATIONS OF THE SAINT LAWRENCE SHIPOWNERS' ASSOCIATION INC. ...	2974
MR. ANDRE VERGE ...	2974
REPRESENTATIONS OF THE RIMOUSKI NAVAL SCHOOL. ...	3015
MR. LAURENT PARADIS (Mayor of Three Rivers) ...	3026
REPRESENTATIONS OF THE CITY OF THREE RIVERS. ...	3027
MR. MARCEL OUELLET ...	3027
MR. CLAUDE BISSON ...	3049
PRESENTATION OF THE CITY OF CAP DE LA MADELEINE ...	3054
MR. ANDRE JULIEN (Mayor) ...	3054
REPRESENTATIONS OF BRANCH LINES LIMITED...	4280
MR. HENRI TELLIER ...	4280



1 (English translation from French - Quebec City, Quebec,
2 September 27, 1955)

3 MR. WILFRID HAMEL (Mayor of Quebec): Mr.
4 Chairman and Commissioners: The City of Quebec is
5 happy to see you here in Quebec holding a meeting and
6 hearing the points of view of our friends and fellow
7 citizens.

8 I would like to extend to you the most cordial
9 welcome and congratulate you on your appointment to
10 the important commission which you comprise. I
11 know that you are imbued with the spirit of service.
12 You want to be of service to your country, you want
13 to be of service in the difficult case, a little
14 complicated perhaps, which has been laid before you,
15 with the hope that you will draw from it conclusions
16 and reports which will be of benefit not only to
17 those who are directly interested in the question of
18 coasting trade, but to the whole population.
19

20
21 2804-05

22 MR. BELANGER: Mr. Mayor, on behalf of my
23 French-speaking colleagues, it gives me pleasure to
24 convey to you in French our thanks for your very
25 warm welcome to the City of Quebec.

26 I can assure you that my colleagues were most
27 eager to come back to Quebec. They had already
28 been here on many occasions. They were anxious,
29 not only to see once again the old City of Quebec
30 and to enjoy, if I may express myself thus, the



1 proverbial kindness of its citizens, but above all,
2 to hear your problems.

3 Do not get the idea, Mr. Mayor, that the City
4 of Quebec is the only city in the country that has
5 problems to present before the Commission; that only
6 Quebec presents problems; we have heard problems just
7 about everywhere, and rest assured that we are quite
8 anxious to hear your remarks and that they will fall
9 on very sympathetic ears; and if the seed you are
10 going to cast today is thrown on the rock of Quebec,
11 do not get the idea that it will remain there and
12 not bear fruit. It will fall on most sympathetic
13 ground, and you may rest assured that we shall bring
14 the utmost attention to bear on the solving of the
15 problems you submit to us.

16 Once again, Mr. Mayor, I wish to thank you
17 for your hospitality in the City of Quebec.

18 I extend my thanks officially to the Harbour
19 Committee of the Board of Trade, which so kindly
20 made our day yesterday useful and pleasant.

21 I also want to thank the shipyards which
22 showed us around their establishments and finally,
23 on behalf of the Committee, I wish to thank Dr.
24 Gobeil who was good enough to lend us, as he said
25 a while ago, his finest courtroom.



1 MR. GERIN-LAJOIE: Now, each person in the
2 room is requested to indicate his name and the group
3 he represents and whether he intends to submit views,
4 verbal or otherwise, on the occasion of the meetings
5 of the Commission in Quebec City.

6 MR. LOUIS PRATTE: I represent the Quebec
7 Board of Trade and we intend to enlarge a little on
8 certain points which were not developed sufficiently
9 in the brief which has already been submitted to
10 the Commission.

11 MR. ANDRE VERGE: I represent l'Association
12 des proprietaires de navires du Saint-Laurent Incor-
13 poree, and I intend to make a few remarks before the
14 Commission.

15 MR. WRIGHT: J.A. Wright. I represent the
16 Canadian Pacific Railway.

17 MR. ARTHUR SIMARD: I represent Marine Indus-
18 tries.

19 MR. JACQUES GENDRON: I represent l'Ecole de
20 Marine de Rimouski. We intend to express our opin-
21 ion before the Commission.

23 2807

24 MR. GERIN-LAJOIE: Mr. Chairman, with your
25 permission, I would propose this order for the
26 presentations to be submitted to your Commission.
27 The Quebec Board of Trade, George T. Davie, Davie
28 Ship Building Limited, l'Association des proprie-
29 taires de navires du Saint-Laurent who will be
30



1 heard late this afternoon or tomorrow, it is hard to
2 say at the moment; l'Ecole de Marine de Rimouski.
3 Captain Roger Degagne has also submitted a brief to
4 your Commission, but we understand, from the corres-
5 pondence which was exchanged between Captain Degagne
6 and the secretary of your Commission, that he will
7 not make any verbal presentation before the Commis-
8 sion.

9 Now with your permission, Mr. Chairman, I
10 shall invite the president of the Quebec Board of
11 Trade, Mr. Alphonse Proteau, to speak to you.

2808

13 MR. ALPHONSE PROTEAU: Mr. Chairman, Commis-
14 sioners, the atmosphere of the meetings has always
15 impressed me deeply.

16 It is true that I had never before had the
17 privilege and the pleasure of spending a whole day
18 with the members of the Commission, and during the
19 day yesterday I realized with pleasure that the mem-
20 bers of the Commission are so charming and so like-
21 able that the task which has fallen to me this morn-
22 ing seems easier. The sun has come out fine to wel-
23 come you to Quebec; as a matter of fact, the
24 Chairman told me yesterday that you brought the
25 good weather with you wherever you went. This
26 augurs well; you bring good weather and also good
27 news.
28



1 MR. LOUIS PRATTE: Mr. Chairman, with your
2 permission, we have the intention of presenting our
3 brief in French. However, our witnesses will be
4 glad to answer any questions in English or in French.

5 Mr. Chairman, the Quebec Board of Trade does
6 not intend this morning to repeat all the arguments
7 contained in the brief which was submitted to your
8 Commission; it only wishes to attempt to clarify, to
9 bring out certain points of information and also to
10 complete certain arguments, to explain certain points
11 which, after reflection, we judged to be insufficient-
12 ly developed in the brief.

13 MR. GERIN-LAJOIE: Mr. Chairman, for the record
14 you will permit me, perhaps, to point out that the
15 secretary of the Commission and yourselves, the Com-
16 missioners, received a supplementary brief from the
17 Quebec Board of Trade, which it would perhaps be ad-
18 visable to number at this stage as one of the exhibits
19 in your Commission's file.
20

21 ---EXHIBIT NO. 71: Supplementary brief of the
22 Quebec Board of Trade.

23 SUBMISSIONS OF THE QUEBEC BOARD OF TRADE

24 ---Mr. Louis Pratte, counsel for the Board of Trade.

25 The first witness for the Quebec Board of
26 Trade will be Mr. Yves Poisson, its secretary.

27 MR. YVES POISSON

28 First I would like to draw to your attention
29 a slight correction on page 6 of Exhibit No. 71;
30



1 in the French version, it is page 6, third paragraph,
2 it should read "55,741,000" instead of "45,741,000"
3 bushels of wheat.

4 MR. PRATTE: Q. Mr. Poisson, the principal
5 recommendation made by the Quebec Board of Trade to
6 the Commission was that the coasting trade should be
7 reserved for Canadian-built ships flying the Canadian
8 flag. Can you state concisely the reasons which
9 cause the Board of Trade to bring forward this recom-
10 mendation?

11 A. As we state in the brief, Canada is a
12 sovereign country and it is the duty of every sover-
13 eign country to protect its economy by adequate means
14 of transportation free from interference by any for-
15 eign nation. Switzerland, which has no outlet on
16 the sea, affords one of the most typical examples in
17 this field.

18 We believe, too, that in a national emergency
19 Canadian shipping should be ready to serve the nation-
20 al cause. It is true that the North Atlantic pact
21 provides for the pooling of the ocean-going vessels
22 of all the contracting nations, but it seems that
23 our cargo space requirements cannot remain as mere
24 figures in an agreement that has not been fulfilled.
25 If Canada has not a fleet of its own capable of
26 meeting its requirements, and if this truth seems
27 obvious to us with regard to a deep-sea fleet, we
28 believe that it is still more so when it comes to a
29 coastal fleet, because if we accept it as an
30



1 established fact that the Canadian deep-sea fleet can-
2 not develop appreciably or rapidly for several years,
3 it is all the more important to have a coasting fleet
4 which could, if the occasion arose, replace at least
5 in part a deep-sea fleet in case of a national emer-
6 gency.

7
8 Moreover, it would be impossible for the Govern-
9 ment to charter ships belonging to foreign countries
10 in the same emergency situation.

11 Moreover, if strikes occurred and deprived us
12 of at least part of our transport facilities, it would
13 still be impossible for the Canadian Government to
14 intervene in settling them if the sailors thus on
15 strike came under the sovereignty of a foreign nation.

16 Q. So it seems essential to you and a
17 matter of national urgency in time of peace as much
18 as in time of war, that Canada should be in control
19 of its means of transport?

20 A. Precisely.

21 Q. Is that not also essential when we con-
22 sider the activity of our shipyards?

23 A. Indeed, it is impossible to consider
24 the fleet, whether it be the deep-sea merchant marine,
25 the navy or the coastal fleet, independently from the
26 shipbuilding yards, since in all three cases the
27 ships must be built by our shipyards for the same
28 reasons of national sovereignty, in case of emer-
29 gency or for purely economic reasons. And those
30 same reasons apply to naval shipyards.



1 Q. In the past has not Canada been able
2 to cope with periods of emergency and war? The ship-
3 yards, whose activity slowed down during times of
4 peace were capable of stepping it up in time of war.
5 So you think that that is an objection to the argu-
6 ment you are attempting to advance?

7 A. We succeeded to a certain extent, yes,
8 by very costly means, but we find that the technique
9 of shipbuilding is becoming more complicated, accord-
10 ing as the industry develops, and it is not certain
11 that we shall be able to succeed in doing in the
12 future what we did in the past. The training of labour
13 would be longer and costlier as the technique became
14 more complicated, and it would be imposing an addition-
15 al burden on the shipyards to ask them to re-train
16 that labour in a limited time just at the time when
17 that developing technique is going to make such train-
18 ing more difficult and more costly.

19 Q. Can it not also be maintained that the
20 maintenance of a coasting fleet that is purely Canad-
21 ian would contribute towards maintaining in Canada a
22 trained merchant marine which is necessary in time
23 of war, if we wish to have sailors to man the ships
24 that are built or bought?

25 A. Exactly. If we abandon a part of our
26 transport, a part which may become increasingly im-
27 portant according as the situation allows competition
28 to stiffen, a large number of our Canadian sailors
29 are going to be out of work. The trained seamen will
30



1 have to look elsewhere for work, and the same problem
2 which I was pointing out regarding the training of
3 labour in the shipyards will apply.

4 In addition, with the number of sailors more
5 limited, the increased requirements of wartime may be
6 much more varied, which means that larger numbers of
7 seamen should be maintained. Also, it seems to me
8 an important thing to establish traditions in the
9 Canadian merchant navy, and I believe that one of the
10 only means of establishing such traditions is to
11 create an overall situation that is sufficiently pros-
12 perous so that young Canadians will become interested
13 in carving out a career in the Canadian merchant navy.
14 At the present time the situation is discouraging
15 in that regard, so that one wonders just to what de-
16 gree the young men will start a career in that field.

17 Q. Then, if I understand you correctly, Mr.
18 Poisson, the recommendation of the Board of Trade is
19 made first of all for the purpose of reducing compe-
20 tition, and, by reducing competition, of promoting
21 national security both in peacetime and in wartime.
22 But is it not true that the competition which exists
23 at the present time exists only to a negligible
24 degree?

25 A. As a matter of fact, the latest sta-
26 tistics showed that only 7.5% of the coasting trade
27 is done by foreign ships at the present time, about
28 two million tons ...

29 Q. Excuse me, but do you not say 5.5% in
30



1 your brief?

2 A. As a matter of fact, the figures quoted
3 in the brief are figures applying to 1953, while the
4 figure of 7.5% that I just mentioned applies to 1954.
5 Moreover, we can see from that a substantial increase
6 in that competition, a tendency which leads us to be-
7 lieve that when the St. Lawrence Seaway is finished,
8 the competition that makes itself felt at present
9 mainly in the St. Lawrence and Atlantic regions will
10 be felt after the new canal is opened, right to the
11 head of the Great Lakes.

12 According to the figures I saw in a brief which
13 was submitted to the Commission, competition in the
14 Great Lakes has been negligible until now, and I
15 believe I saw the figure 1.6%; I do not remember very
16 well in which brief it was. So the situation that
17 exists on the St. Lawrence may eventually hold true
18 for the Great Lakes, and at the same time the opening
19 of the canal will permit foreign ships, especially
20 British ships, since the competition from the others
21 is almost negligible, to increase this competition
22 not only in the Great Lakes region but on the St.
23 Lawrence, because the exchanges which are being es-
24 tablished between the two regions will appreciably
25 alter the overall situation in water transport.

26 Q. By reducing competition in this way,
27 do you not think that it is sure to cause a consider-
28 able increase in transportation rates?

29 A. There is no doubt that the reduction
30



1 of competition will have the effect of increasing the
2 cost of shipping by water to a certain degree impos-
3 sible to judge. However, there is reason to believe,
4 on the other hand, that the very opening of the canal
5 after the St. Lawrence Seaway is completed will make
6 it possible, to a large extent if not completely, to
7 compensate for the increase which might make itself
8 felt as a result of restrictions.

9 Q. What, in your opinion, are the main
10 factors which could lead to an increase in transpor-
11 tation rates?

12 A. The two chief factors would, of course,
13 be: first, labour costs, which are approximately
14 three times as high in the Canadian fleet as in the
15 British. The second important factor, obviously, is
16 the difference that exists between the cost of build-
17 ing ships in Canada and that in England or other well-
18 known countries such as Italy, Germany and Japan in
19 particular.

20 Q. Am I to understand that according to you
21 the reduction in transport costs which might result
22 from the seaway could offset the increase in cost
23 resulting from the two factors you have just mention-
24 ed? Would that be sufficient?

25 A. I am not in a position to give an
26 exact answer to that question, but we could hope -
27 on page 6 of Exhibit No. 71 we see a study, or rather
28 a quotation from a study made in the United States
29 on the possible reduction in the cost of transport
30



1 resulting from the opening of the new canal; and
2 they compare, for example, and this is what prevents
3 me from giving you a definite figure, they compare
4 two different means of transport, railways and ship-
5 ping. They calculate that the average cost of trans-
6 porting a ton of goods by rail from the head of the
7 Great Lakes to the Atlantic is \$13.00 a ton, whereas
8 after the St. Lawrence Seaway is opened, ships will
9 be able to transport the same quantity of goods for
10 \$1.70.

11 Q. If it happened that an increase in the
12 cost of transportation did result from the adoption
13 of the recommendation made by the Board of Trade, are
14 there any palliatives which could alleviate the effects
15 of such a situation?

16 A. In principle, the Board of Trade is
17 not favourable to a policy of grants. We believe
18 that if we should come to that, we should first have
19 exhausted all other means of compensating for the
20 increase. Let me explain.

21 (*would be)
22 There is one thing which [^]easy to put into
23 effect, at least at first sight, and that would be
24 the establishment of a preferential charge for
25 Canadian ships that will use the new canal when the
26 St. Lawrence Seaway is finished, as compared with
27 the foreign ships that will ply our waters. This
28 measure cannot be considered as an obstacle to trade,
29 because it would not apply to ocean-going vessels.
30 It would be accepted almost unanimously in all



1 countries, and it would seem that coasting is a
2 matter for internal regulation.

3 Q. Is it not possible that the increase
4 in cost which is most likely to result from the adop-
5 tion of the Board of Trade's recommendations would
6 affect one area in the country more particularly than
7 another?

8 A. There is no doubt of it, and the area
9 that would certainly be affected would be Newfoundland,
which is completely dependent for its imports and its
exports on water transportation. If it was thought
advisable, the matter could be gone about in two ways
as far as Newfoundland is concerned, or you could ex-
tend it to the Maritime Provinces.

I shall make a comparison with the Duncan rate
for the railways. The principle was established by
the Government that the Maritime Provinces being con-
sidered to be in an inferior position economically,
the Government consents to pay twenty (20) per cent
of the cost of rail transportation by grants paid to
the transport companies for all goods shipped or re-
ceived in a zone beginning just on the other side
of Quebec, here at Levis, and extending eastward.

The same principle would certainly be a solu-
tion that would allow that region of the country
to make up for its geographical disadvantages, and
if it should come to a policy of grants, I think
that in my opinion it would be preferable to apply
a grant based on the percentage of the transportation



1 rate, rather than a grant paid directly to the ship-
2 building companies or to the shipowners who would
3 order Canadian ships, ships from Canadian yards.

4 That would allow, that would leave more freedom
5 to private enterprise, as is the case with the rail-
6 ways, in regard to the Duncan rate. In short,
7 that would not be the straitjacket that we are afraid
8 to impose or to have imposed on us by such a policy
9 of grants which obviously would always constitute
10 interference by the Government with private enter-
11 prise. That, as you know, is contrary to the prin-
12 ciples of the Board of Trade, which advocates freedom
13 of enterprise.

14 Q. Would it be right to say that the
15 present system is based on the fact that people want
16 to obtain the lowest transportation rates and conse-
17 quently they act in such a way that we cannot bene-
18 fit by the lower rates which British shipping can
19 offer us?

20 A. Well, as far as that is concerned, we
21 could answer in this way: the rates offered by
22 British shipping companies are lower than ours for
23 reasons explained in the brief and here a little
24 while ago. But if that is what people want, a lower-
25 ing of water transportation rates in Canada, I think
26 they are going about it the wrong way, because
27 there are nations which could transport our merchan-
28 dise at costs much lower still than those which
29 British ships are obliged to charge, because of the
30



1 economic situation in their country. And I could
2 name two or three countries in particular -- Italy,
3 Germany and, especially, Japan.

4 If the aim is to open up our inland navigation
5 to foreign ships, I do not see why it is not opened
6 also to Japan, Germany, Italy and the other countries
7 which could come and compete with the other foreign
8 ships.

9 Q. In your opinion, what main effects will
10 the St. Lawrence Seaway have on coasting trade?

11 A. The chief effect, which I pointed out in
12 passing, a little while ago with regard to competi-
13 tion, would be precisely to allow foreign ships to
14 extend their competition right up to the head of the
15 Great Lakes. The second immediate effect foreseeable
16 would be to allow the Great Lakes boats to come down
17 right to the St. Lawrence and to the Atlantic ports
18 without difficulty, which will change the present
19 situation appreciably.

20 Q. With regard to the Quebec region, do
21 you think that the Seaway will have special effects?

22 A. There is no doubt that the fact of
23 the Great Lakes boats coming down as far as Seven
24 Islands, for example, to get iron ore and transpor-
25 ting it to Cleveland, Ohio or another region, is
26 going to alter the situation of the port of Quebec
27 materially. Until now, the Great Lakes boats which
28 brought grain down to Montreal had not cause to go
29 any farther down the river. These same boats will
30



1 of necessity have to pass by our city to go and get
2 the iron ore, and the reluctance of the shipping com-
3 panies to traverse a round-trip distance of three
4 hundred and twenty (320) miles to bring grain down to
5 Quebec will disappear. This will immediately put us
6 in a better position, on an equal footing with the
7 Port of Montreal and the other intermediate ports
8 of the St. Lawrence.

9 Q. Do you think that certain alterations
10 should be made in the Port of Quebec in particular
11 and in the two transportation systems in general, in
12 order that we can benefit fully from the advantages
13 which the St. Lawrence Seaway may bring?

14 A. At the present time the Port of Quebec
15 is not capable of taking the large lake boats, which
16 are 600 feet long and which can transport three-
17 quarters of a million bushels of wheat; these boats
18 cannot enter the inner basin where the ship-unloading
19 towers are situated, and steps will certainly have
20 to be taken to accomodate the vessels as rapidly as
21 other ports do, because it is pretty important for
22 us to be able to satisfy those needs the same as is
23 done elsewhere.

24 With regard to that very thing, we recom-
25 mend the construction of new elevators for grains
26 and cereals, in the part situated along the bank of
27 the St. Charles River, and also in the part of the
28 port situated east of the present docks at Wolfe's
29 Cove. That is our point of view on that subject
30



1 in order that we might derive the maximum benefit
2 from the reduction in rates, the reduction which we
3 hope to see brought about as a result of the St.
4 Lawrence Seaway.

5 Now, whereas the whole grain transport struc-
6 ture must be changed, the actual storage of grains
7 is done at Fort William and for the purposes of the
8 present illustration, the storage and transfer ele-
9 vators which exist in the eastern part of the Great
10 Lakes have a capacity of fifty-five (55) million
11 bushels.

12 To reduce transportation costs, transshipment
13 should be avoided. Now it would be advisable to
14 think of establishing storage elevators in the St.
15 Lawrence region, and since Quebec is the last impor-
16 tant port to the East in the St. Lawrence estuary,
17 we believe that Quebec is ideally situated for those
18 purposes and we estimate, without making calculations
19 based on learned theories, that fifteen (15) million
20 bushels of storage capacity would be a minimum for
21 Quebec. Taking advantage of the circumstances which,
22 it seems to us, must favour us, we are thinking
23 of special needs of the Port of Quebec which are
24 not met at the present time and which it would be-
25 come easier than ever to meet.

26 That explains why we suggest in the supple-
27 ment, Exhibit No. 71, that consideration be given
28 to the construction of some of the new storage ele-
29 vators at Wolfe's Cove and the others in Louise
30



1 Basin.

2 Although I am an outsider needless to say, when
3 it comes to the engineering aspects of organizing a
4 port, I may say that it seems to me that that part
5 of the present old harbour cannot hold elevators of
6 such a capacity without necessitating considerable
7 and very costly improvements. Moreover, the divid-
8 ing of the elevators we wish to see built into two
9 approximately equal parts, let us say, would not
10 occasion an increase in the cost, since it seems to
11 me, according to the opinions of specialists whom
12 we know that elevators are complete units in them-
13 selves ...

14 Q. Would the building of new elevators at
15 Quebec become necessary only if Quebec was made a
16 storage centre?

17 A. It would be necessary to build new
18 elevators in any case.

19 Q. For what reasons?

20 A. To accommodate the Great Lakes vessels.
21 Our present elevators have been built since 1925;
22 they are of quite a different model from those we
23 see at the present time on the Great Lakes. Our
24 capacity, the unloading capacity of our elevators at
25 the present time is only ten thousand (10,000) to
26 fifteen thousand (15,000) bushels an hour, whereas
27 to unload those large lake boats this capacity would
28 have to be increased to at least thirty-six thousand
29 (36,000) bushels an hour, as it is elsewhere.
30



1 Now this presents a purely local problem which
2 I think I should bring to the attention of the Com-
3 mission. In order to build new elevators in part of
4 the old port it would be necessary to use the space
5 at present occupied by the old Immigration Building.

6 That old Immigration Building, despite the
7 fact that it has long been condemned by the authori-
8 ties of the Department of Public Works, is still
9 being used at the present time. However, a plan
10 exists which is slowly being carried out: it con-
11 sists in building a new Immigration Building near the
12 passenger sheds at the Cove. A speeding up is needed
13 in the carrying out of that new construction, in or-
14 der to free that part of the old port, by demolishing
15 the old Immigration Building where the new elevators
16 will have to be built.

17 Q. In your opinion, is it important that
18 these new improvements which you seek for the Port
19 of Quebec be carried out immediately, or is it some-
20 thing that can wait?

21 A. It is essential, if we wish to keep
22 abreast of the situation, that all those improve-
23 ments, or at least the biggest part of those improve-
24 ments, be finished at the same time as the St. Law-
25 rence Seaway. We must be in a position to meet
26 the needs of those who will come along without delay.

27 Q. You do not want the navigators to ac-
28 quire bad habits?

29 A. Precisely.
30



1 Q. In the chapters of Exhibit No. 71, you
2 deal specially with the situation that small shipping
3 is confronted with?

4 A. Yes, we do.

5 Q. First of all, what do you mean by small
6 shipping?

7 A. Small shipping is that carried on by
8 the boats of small tonnage varying, let us say, be-
9 tween about two hundred (200) tons and four hundred
10 and fifty (450) tons; but one could go a little high-
11 er, perhaps -- let us say six hundred (600) tons.

12 The great majority of those small boats belong
13 to the Association de proprietaires de navires du
14 Saint-Laurent (St. Lawrence Shipowners Association)
15 which will have a brief to present here, I believe.

16 Q. In what respect is the situation facing
17 small shipping peculiar to Quebec?

18 A. I am going to answer by going round
19 the question.

20 The situation is not peculiar to Quebec, but
21 it is peculiar to the Lachine Canal zone in the Port
22 of Montreal it is precisely that special situation
23 which creates a competition that is impossible for
24 the Port of Quebec to stand.

25 Q. What factors make it impossible for
26 the Port of Quebec to meet this competition?

27 A. The Port of Quebec is a single entity,
28 if I may say so, which is entirely administered by
29 the National Harbours Board. Therefore all the
30



1 regulations which apply in the harbours under the
2 jurisdiction of the National Harbours Board apply in
3 Quebec.

4 In the case of Montreal, what is called the
5 main Port of Montreal, is also subject to the same
6 regulations; but on the other hand, just outside the
7 limit of jurisdiction of the National Harbours Board,
8 at the foot of the Lachine Canal, there is a zone
9 where the National Harbours Board has no say, since
10 it is administered by the Department of Transport
11 canal services. At that place, the rates are not
12 the same; they are lower in every respect.

13 And so the National Harbours Board -- for
14 example, on page 3 of Exhibit No. 71, I quote: "The
15 top wharfage fees in effect in the Port of Quebec are
16 those of the National Harbours Board, namely 25¢ per
17 ton of merchandise, plus 10%. The same fees in the
18 Lachine Canal zone of the Port of Montreal are 8¢ a
19 ton, plus 10%."

20 As for harbour dues, they are $\frac{1}{2}$ ¢ per ton for
21 every eight (8) hours or fraction of eight (8) hours
22 of navigation time, and time in dock in harbours
23 administered by the National Harbours Board. So,
24 a ship of four hundred (400) tons, and they are non-
25 existent --I must add that in the Lachine Canal
26 zone the regulations provide that the ship may re-
27 main two (2) days without charge; in practice it may
28 even remain three (3), four (4) or five (5) days
29 without being required to pay the harbour dues.
30



1 Now for a four hundred (400) ton ship spending two (2)
2 days there it would cost nothing, whereas at Quebec it
3 would cost twelve (\$12) dollars.

4 It is the same with labour.

5 Q. Do you mean that labour is more expen-
6 sive at Quebec than in the Montreal area?

7 A. Not generally speaking, but in the
8 Lachine Canal zone, yes, because here we have in
9 general the labour rate applying in the National Har-
10 bours Board, while there there are various unions work-
11 ing in the Lachine Canal area for \$1.43 an hour, while
12 here it costs \$1.48 an hour for inland and coastal
13 shipping.

14 Q. Is not the situation of small shipping
15 at Quebec made worse by this loss in the rate? This
16 question of rates?

17 A. Indeed, the question of rates is very
18 important, because it will be found that the rates
19 are the same for the transportation of goods eastward
20 from Montreal or Quebec, and the rate structure is
21 based on the rates of the Clarke Steamship Company.
22 I have here some copies which do not belong to me
23 and which I cannot submit as exhibits; however, they
24 are here and you may check. The rates for small
25 shipping are not rates approved by the Board of
26 Transport Commissioners, as are those of Clarke
27 Steamship Company, but the companies concerned use
28 those same rates as a basis, less a decrease in
29 the general rate.
30



1 Q. As a consequence, what is the recommen-
2 dation which the Board of Trade has drawn up with re-
3 gard to small shipping?

4 A. The recommendation is set forth on pages
5 4 and 5 of Exhibit No. 71. They call for the estab-
6 lishment of a zone in the Port of Quebec where small
7 shipping could enjoy the same advantages, or again,
8 the establishment of a special rate for small ships
9 with a tonnage of six hundred (600) tons or less.
10 Both measures would perhaps be necessary, because with
11 regard to the rental of ground, for example, I did not
12 enlarge on that point in my testimony, but it is im-
13 portant. The land is rented up there at a very, very
14 advantageous rate, less than one cent per square foot
15 per year.

16 Q. At the beginning of your evidence, you
17 were telling us that the creation of a purely Canadian
18 coasting fleet would, in your opinion, contribute to
19 national security, particularly with regard to the
20 ensuring of a fairly continuous activity in our ship-
21 yards?

22 A. Yes.

23 Q. And you told us that that was essential
24 to national security, particularly in time of war.
25 Can it not also be conceived that fluctuations in
26 the activity of the shipyards have an effect on the
27 economy of the Quebec area?

28 A. A direct effect on Quebec's economy.
29 You will see that on page 10 of Exhibit No. 71, we
30



1 give a few figures on the fluctuations of labour.

2 During the war, when the shipbuilding yards
3 were employed at capacity, perhaps not maximum but
4 potential, yes, maximum, there were seven thousand
5 five hundred (7500) persons employed, plus fifteen
6 hundred (1500) or two thousand (2000) at the old Morton
7 yards which no longer exist, making at least nine
8 thousand (9000) persons, whereas in 1949 the same yards
9 only had six hundred and forty (640) persons in their
10 service.

11 After the war, the maximum labour force amoun-
12 ted to about four thousand (4000) persons in 1953.
13 The present average is about twenty-one hundred (2100).

14 Such large fluctuations in the labour force
15 constitute a real danger for the structure of the
16 local economy. If we consider that the average wage
17 -- I do not wish to enlarge on that much because
18 there are other persons who will probably deal with
19 the question -- if we admit that the difference in
20 income may be fifteen (15) million dollars, it is
21 enormous. That means that it is the third industry
22 in Quebec City that is likely to fluctuate to that
23 extent, after the tourist business and the port it-
24 self; these last two represent an estimated income
25 of about twenty-five (25) or thirty (30) million dol-
26 lars a year.

27 I have, however, one point to develop which
28 is not contained in the brief, in connection with
29 the lake transportation of iron ore, from Seven
30



1 Islands to the Great Lakes.

2 We in our turn are considering the necessity
3 of a reciprocal protection arrangement with the United
4 States so that this transport can be done by Canadian
5 and American ships exclusively. Moreover, I believe
6 that it would be completely in line with the long-
7 established policy of the United States, and I believe
8 it would also be very important for Canada to see
9 that an important share of that ore is carried by
10 Canadian boats and not exclusively by American boats.
11 There is no other way to secure protection except by
12 a reciprocal agreement with the United States.

13 I think that completes just about all I had
14 to say.

15 MR. BELANGER: Thank you very much, Mr. Poisson.
16 Mr. Lajoie, I think we shall take about ten minutes'
17 rest, after which you will be able to ask Mr. Poisson
18 some questions.

19
20 ---The hearing was suspended at 11.17 a.m. and re-
21 sumed at 11.35 a.m.

22 MR. PRATTE: The second witness for the
23 Board of Trade is Mr. Marc Turcotte, an economist.

24
25 MR. MARC TURCOTTE

26 MR. LOUIS PRATTE: Q. Mr. Turcotte, what
27 is your position at present?

28 A. I am a professor at the Faculty of
29 Commerce of Laval University.

30



1 Q. What special studies have you made in
2 the field of economics?

3 A. I studied at the faculty of social
4 science at Laval University and at the London School
5 of Economics, London; I also did some studies at the
6 University of Milan, in Italy.

7 Q. In the course of his testimony a little while
8 ago, Mr. Poisson told us that he considered the main-
9 tenance of a purely Canadian merchant marine essential
10 to national security, and he gave us to understand by
11 that term of national security that he understood not
12 only the security of the country in time of war, but
13 the economic security of the country. Do you share
14 that opinion?

15 A. Most certainly. By economic security
16 I understand on the one hand the assurance that we
17 will always have means of transport to ensure the
18 movement of goods within Canada, and possibly also
19 outside Canada, in view of the enormous distances to
20 be spanned between the various Canadian supply centres,
21 and also in view of the fact that we possess water-
22 ways that are quite unique in the world and also be-
23 cause of the size of our trade.

24 Canada is a country with almost a third, or
25 at least twenty-seven (27) or twenty-eight (28) per-
26 cent of its national income coming from external
27 trade; this implies a continual transporting of goods
28 and I believe that in view of the importance in our
29 national life, and consequently in the prosperity
30



1 of the country and development of our foreign trade,
2 and considering the distances which goods must cross
3 within the country to be carried to the supply centres,
4 it would be important to have at least a very large
5 proportion of those goods, whatever they are, carried
6 in Canadian ships, where the Canadian Government has
7 at all times at least a certain right and a certain
8 authority.

9 Q. But is it your opinion that if we do
10 not have a purely Canadian merchant marine, we shall
11 therefore have no assurance of a certain strength in
12 means of transportation?

13 A. It seems to me that in the present situ-
14 ation there is a national and foreign establishment
15 which can satisfy most of our transport needs; yes, I
16 said most, in the present state of affairs. But if
17 we suppose a variation in the structure of operating
18 costs and in the price structure on a world scale,
19 since a variation in prices on a world-wide scale must
20 be foreseen, and since part of our transport is done
21 by foreign ships, if a variation in prices should
22 arise which is unfavourable to us, we can assume that
23 a foreign fleet may find it more profitable to go
24 and carry goods elsewhere, which would mean that
25 we would be left without those means of transport
26 and that we would be, for a rather long time, de-
27 prived of adequate means of transport.

28 Q. A little while ago, Mr. Poisson poin-
29 ted out to us also that if we had an all-Canadian
30



1 coasting fleet that would have the effect of ensuring
2 a certain continuity to the activity of our shipyards
3 and it would have a very healthy and very desirable
4 effect on the regional economy of Quebec. Do you
5 also share that opinion?

6 A. That is quite correct. The Quebec
7 region is a static one economically speaking, compared
8 to other regions.

9 Q. Why do you say that the economy of the
10 Quebec region is static?

11 A. Here is why. Its industrial develop-
12 ment did not follow the industrial revolution as
13 closely, because we were without certain raw materials
14 which made the industrial revolution and made the
15 prosperity of certain regions.

16 If we compare, for example, the development of
17 cities like Hamilton with that of Quebec, I think we
18 will find, to a certain degree at least, that the
19 difference in development in the two cities, in the
20 two regions, springs, in large measure, from the
21 proximity of Hamilton to the centre of the iron in-
22 dustry, while in Quebec our structure has developed
23 in quite a different way, because we lacked that
24 raw material, within an economic radius, if you will,
25 and that means that our economy has developed in
26 somewhat a haphazard and accidental manner. Hence
27 we have industries here which only work in periods
28 of emergency.

29 We have some extremely well-equipped shipyards
30



1 which at the present time are working at about twenty
2 (20) percent of their capacity, and considering the
3 importance of those industries in the Quebec region,
4 their size, and considering the economic structure of
5 the region, or rather in view of the fact that such
6 an industry may have such an incidence in the unemploy-
7 ment picture, unemployment which occurs in the ship-
8 building industry, this is very important for Quebec
9 and affects all sectors of the region's economy.

10 Q. Could you give a few details on the
11 economic incidence of fluctuations in the activity
12 of our shipyards?

13 A. Perhaps I could quote a few figures to
14 that effect. Of course they are estimated figures,
15 and I gave them a little while ago in the same con-
16 nection. During the war we had here a labour force,
17 I believe, of about ten thousand (10,000) persons,
18 perhaps a few more, engaged in shipbuilding in the
19 shipyards of the area. At the present time, accor-
20 ding to the latest information I could obtain, and
21 which goes back some time, there are two thousand
22 (2000) persons at the very most who work in our ship-
23 yards, which means that there is a drop of eighty
24 (80) percent in the labour force, and which also
25 means that whenever that drop occurs, whether it
26 be immediate, sudden or gradual, unemployment in-
27 creases in approximately the same proportions. The
28 structure of our economy being what it is, those
29 people are immediately assimilated into the stream
30



1 of our economy; this means that if we try to esti-
2 mate the wages lost by these former workers of our
3 shipyards, the Quebec region is losing about fifteen
4 (15) million dollars in wages, and that immediate
5 drop in wages is not without effect on the internal
6 economy of a region.

7 Q. A little while ago, Mr. Poisson indi-
8 cated that the fact that our shipyards are obliged
9 to rapidly train a labour force in time of war was
10 contrary to the interests of national security. Is
11 not this obligation which faces our shipyards in the
12 event of a state of war also contrary to what could
13 be called the economic interest of our shipyards?

14 A. I think that is correct also, and I
15 think, too, that not only is the economic interest of
16 our shipyards at stake, but also that of the customers
17 of those shipyards, whether it be the Government or
18 private companies; and the drop in employment at the
19 shipyards in the Quebec area to which I was referring
20 a while ago certainly explains this need, that the
21 labour that would have to be brought back to meet
22 any expansion in shipbuilding would be inexperienced.
23 Even if former workers were taken back they would
24 have lost their touch, they will not be prepared
25 to do very technical operations, it will be necessary
26 to re-educate them, which necessarily increases the
27 cost, and in increasing the cost one also increases
28 the selling price, the cost of depreciation, in
29 short, the whole economic structure.
30



1 Q. But if for the purpose of strengthening
2 the regional economy, of promoting the activity of our
3 shipyards, you wish to restrict shipping to ships^{made} in
4 Canada, will that not result in a rather considerable
5 increase in the cost of a ship?

6 A. I think we are perhaps getting into the
7 realm of the hypothetical now, perhaps even of the
8 fanciful. It is possible that there will be an in-
9 crease in the price, but it is also possible that
10 there will not. If our shipyards can build highly
11 specialized ships, very well adapted to Canadian trans-
12 port, it is quite possible that there will be this
13 increase in cost; and even if it does result, in view
14 of the economic advantage from the standpoint of econ-
15 omic and political security we shall derive from it,
16 that advantage is perhaps worth the additional cost
17 that would have to be paid in order to have a certain
18 amount of Canadian merchant shipping.

19 Q. And when you speak of the additional
20 cost that would have to be paid, I suppose you mean
21 to refer to a policy of direct or indirect subsidies?

22 A. Well, the cost can be shared either
23 by the private customers of our enterprises, or by
24 society in the area; if it is society which derives
25 a particular advantage from this, it would perhaps
26 be fair if society bore the costs.

27 Q. Suppose the fact that our ships are
28 built here is translated necessarily and immediate-
29 ly into an increase in the cost of those ships,
30



1 which would have to be offset perhaps by a policy of
2 subsidies, would we have to consider that the sub-
3 sidies which would then have to be granted, directly
4 or indirectly, to private enterprise would be perma-
5 nent or at least stable?

6 A. There again, if I might be permitted a
7 slightly theoretical digression, I shall express my
8 personal opinion. I think that those subsidies
9 would be temporary, I think that at least they would
10 gradually, though not continually, diminish if neces-
11 sary.

12 Q. Why would they gradually decrease?

13 A. I believe that if an industry of the
14 size of our shipyards is encouraged in the Quebec
15 region, it will tend to stimulate an economic develop-
16 ment which is taking place without it, but which would
17 take place better with it. This economic develop-
18 ment would consist of utilizing our natural resources
19 on a local or fairly immediate basis, from the stand-
20 point of distance, resources which we would develop
21 soon in a region quite close to the Quebec area.
22 Then I think our construction costs may be lessened
23 noticeably and that the subsidies, if there is
24 cause to give any at the beginning, will have a
25 tendency to diminish radically at that time.

26 Q. In short, only one disadvantage will
27 then remain in comparison with foreign shipyards;
28 it will be the cost of labour, because you don't
29 happen to foresee a decrease in the price of steel,
30



1 do you?

2 A. I think we can foresee such a phenome-
3 non.

4 MR. GERIN-LAJOIE: Mr. Chairman, I think I
5 should begin by asking Mr. Poisson certain questions
6 before I examine Mr. Turcotte.

7 MR. YVES POISSON: With your permission, I am
8 going to add something to my testimony of a while
9 ago, concerning the means of compensating for the
10 possible increase in costs.

11 I think it would be well to consider the possi-
12 bility of authorizing an increased depreciation for
13 income tax purposes to corporations engaged in enter-
14 prises of transport or construction, water transport
15 or shipbuilding.

16 That is all I wished to add, Mr. Lajoie.

17 MR. GERIN-LAJOIE: Mr. Chairman, one small
18 caution, if I may say so, like the Commission counsel
19 have had occasion to make in the various cities
20 where the Commission has sat.

21 The witnesses who appear before the Commis-
22 sion, the one who is before you at the present time
23 and the others who are in this room, will under-
24 stand that the role of the Commission's counsel is
25 to bring out all the aspects of the problem or pro-
26 blems which your Commission must study. Now, for
27 that purpose the counsel for the Commission act
28 like a devil's advocate who takes sides against the
29 witness, whatever position he takes. Now, you
30



1 must be perfectly at ease, and rest assured that if
2 we seem to be taking an adverse position, it is not
3 from prejudice, but simply to meet objections raised
4 elsewhere in the country and which are before the
5 Commission.

6 Now, Mr. Poisson, allow me to ask you certain
7 questions with reference first of all to the brief
8 submitted by the Board of Trade, to the extra docu-
9 ment which bears the number 71.

10 Q. Referring first to page 3 of your brief,
11 as it appears in the volume published and printed by
12 the Commission, you mention that at the present time
13 the proportion of the coasting trade carried on by
14 British ships in 1953 was $5\frac{1}{2}\%$; and you said in your
15 testimony that in 1954 that proportion had already
16 gone up to 7.5%. Can you tell us the source of the
17 information which you give the Commission?

18 A. There are two sources which enable us
19 to arrive at the same figures. There is the report
20 of the Canadian Maritime Commission and there is the
21 publication entitled "Water Transportation", from
22 the Dominion Bureau of Statistics, and the last
23 figure quoted, that of $7\frac{1}{2}\%$, came from the second
24 source.

25 Q. Now, have you any ideas concerning
26 the type of coasting trade that is carried on by
27 the British ships? Is that divided equally between
28 what is called "bulk cargo" and "package cargo"?
29

30 A. I am not a specialist on that point,



1 but I am under the impression that they carry chiefly
2 bulk cargo.

3 Q. With regard to the St. Lawrence, I
4 know that iron ore is being carried at the present
5 time from Seven Islands to Contrecoeur, for example,
6 by British ships. Is that so?

7 A. Yes.

8 Q. You do not know in what proportion?

9 A. I believe that all the iron ore that is
10 transported from Seven Islands to Contrecoeur is
11 carried by British ships.

12 Q. Do you know by what shipping or navi-
13 gation company?

14 A. I did know it, but I must confess that
15 at the moment I could not give you the name.

16 Q. Now, with regard to the 5½% of coasting
17 trade which is done by British ships, could you tell
18 us in what region the trade is carried on?

19 A. Especially in the region of the river
20 from Montreal east to the Atlantic. I did not man-
21 age to obtain any figures on the percentage in each
22 region. However, in one of the briefs which the
23 Commission has on hand, a figure of fourteen (14)
24 percent was quoted for the region of the St. Law-
25 rence and the Atlantic, fourteen (14) percent in that
26 region alone.

27 Q. You haven't any information which
28 would enable you to distinguish between the trade
29 on the St. Lawrence River and that going on in the
30



1 Gulf and on the Atlantic, for example between New-
2 foundland and the Maritime Provinces?

3 A. No, I have not that information.

4 Q. You fear that this percentage will
5 steadily increase after the St. Lawrence Seaway is
6 completed. Can you tell us on what basis you justify
7 this opinion of yours?

8 A. The mere fact that the ships of larger
9 tonnage will be able to circulate freely between the
10 lower St. Lawrence, and from Montreal eastward, be-
11 tween that part and the Great Lakes, will of necessity
12 allow a considerable number of ships to operate over
13 a larger distance.

14 Q. Are you thinking only of boats which
15 engage only in the coasting trade or of both trans-
16 oceanic and coasting transportation?

17 A. Both cases may arise, and the very
18 fact that the ocean-going ships will be able to carry
19 goods as they go up and down the St. Lawrence and
20 the canals towards the Great Lakes will certainly
21 increase the possibility of increased competition.

22 Q. Now, the Commission has heard from
23 various bodies, various persons appearing before it
24 that it would be economic for trans-Atlantic vessels
25 to go up the St. Lawrence River and sail the Great
26 Lakes, that it is the deeper draught vessels with
27 a draught of 27 or 25 feet, which would not be able
28 to take nearly as large cargoes. What do you think
29 of that opinion?
30



1 A. I am not in a position to give an
2 opinion based on that point, and according to certain
3 information I possess, through the contacts which I
4 have with people in the business or in that kind of
5 firm, it does seem that it is at least a hope, if not
6 an actual reality, that the Great Lakes boats will be
7 able to transport goods at costs lower than those
8 the ocean vessels would have to charge, but on that
9 point I have no personal opinion.

10 Q. You have no information?

11 A. I have no information that would permit
12 me to formulate a reply, if you will, to the Com-
13 mission.

14 Q. Because if it is correct, for example,
15 that the flat-bottomed boats of the Great Lakes, the
16 latest model ships, can carry cargoes three times as
17 large for the same tonnage?

18 A. Yes.

19 Q. The cost would of course be much lower,
20 the transportation rates are much lower than those
21 of the trans-Atlantic ships?

22 A. That seems probable to me ...

23 Q. And in that case, the competition from
24 the trans-Atlantic boats might be negligible? Am
25 I mistaken?

26 A. Now here, there is one factor: in
27 the case of the trans-Atlantic ships, there is no
28 danger in those ships coming and engaging in the
29 coasting trade, and taking whole cargoes of goods
30



1 for coasting trade. What those ships can do is to
2 take incomplete cargoes, part cargoes at prices lower
3 than anything the other ships could charge. In short,
4 it is an additional opportunity that is presented to
5 them. For example, if a ship has to go to the head
6 of the Great Lakes, let us say that it is a ship
7 coming from Europe, it will unload part of its cargo
8 at Montreal and will continue on up the Great Lakes,
9 either looking for cargo or carrying a partial cargo.
10 Since it has to go, it may take a part cargo from
11 Montreal and take it up to the Great Lakes, or the
12 other way round, as the case may be.

13 Q. In that case, your argument, or the
14 situation you foresee, would apply only to ships which
15 take "package cargo" but would not apply to "bulk
16 cargo"?

17 A. That may apply to both, because the
18 ships may take what is called "bulk cargo" for example.
19 Can I mention grain?

20 Q. Yes, by all means.

21 A. Now, there is nothing to stop a ship
22 like that taking on a partial load of grain, along
23 with another type of cargo. That is current prac-
24 tice in ocean transportation. Here, in Quebec, we
25 quite often have boats which take a partial cargo
26 of grain and make it up with other products.

27 Q. If you consider particularly the
28 cases of ships which take incomplete cargoes or com-
29plementary cargoes, do you think that that competi-
30



1 tion would be likely to cause the complete disappear-
2 ance of the Canadian ships engaged in the coasting
3 trade?

4 A. Oh, no, I have never believed that the
5 Canadian ships could disappear completely, only they
6 could lose an ever larger share of their trade, which
7 in itself would be a bad thing. May I add to that
8 that the longer we delay in adopting restrictive
9 measures, the more serious will be the situation that
10 will face us later, according to our forecasts, and
11 then ...

12 Q. Why will it be more serious in five (5)
13 years?

14 A. Because if competition increased, it
15 would strike a larger part of the transports which
16 will then be engaged in whatever kind of commerce
17 there would be, because in short it is a movement
18 which is created gradually. If, for example, twenty
19 (20) to thirty (30) percent of the coasting trade is
20 done by foreign ships, it is possible that there
21 will be twenty (20) to thirty (30) percent fewer
22 Canadian boats, Canadian bottoms. Now, if a res-
23 trictive measure was applied at that time, thirty
24 (30) percent of the transport, which is done primar-
25 ily by foreigners, will be affected. In the second
26 place, if the measure is applied rigorously, we
27 may be short thirty (30) percent of Canadian
28 bottoms.

29 Q. In order to take care of that part of
30



1 the transport facilities, could the measure always
2 be introduced in progressive stages?

3 A. Yes.

4 Q. You contemplate the possibility of ships
5 taking on extra cargo, let us say, at Montreal,
6 Quebec or anywhere along the St. Lawrence and going
7 up to the Great Lakes? That is, supposing the trans-
8 Atlantic ships had to go up. Well, this is a ques-
9 tion of the same type as we had a little while ago,
10 but in a different form. Do you think in that way
11 that it would nevertheless be a smaller portion of
12 the shipping on the river which would make up trade
13 on the Atlantic?

14 A. Do you mean particularly the coasting
15 trade done by ocean vessel?

16 Q. For example, would a substantial
17 proportion of them be called on to go up the river...

18 A. As it happens, we have somewhere in
19 the brief we submitted to you a rather revealing
20 figure on the tendencies which are already becoming
21 apparent, even before the St. Lawrence is finished.
22 It is the number of ships which went to Toronto in
23 1954 and the estimated number of those same ships
24 that are expected in 1955. That was taken from the
25 Financial Post -- yes, it is on page 11 of the
26 brief, under chapter 2 entitled "Definition and Im-
27 portance of the Coasting Trade".

28 Q. It is on page 5 in the brief, in the
29 volume as printed by the Commission.
30



1 A. You see here: "In fact, the shipping
2 statistics show that in 1946 only five (5) European
3 boats ventured into the Great Lakes, while last year
4 some 100 boats made 230 voyages to the lakes and
5 carried cargoes totalling 700,000 tons. This year
6 the number of cargo-boats that will go there is esti-
7 mated at 150, some of which will make up to five (5)
8 or six (6) voyages. The Port of Toronto alone expects
9 120 of those boats, whereas it only received 8 in
10 1949".

11 Q. You haven't any information on the type
12 of cargo those ships carried in 1954?

13 A. No, I have not gone into the problem
14 deeply enough.

15 Q. Do you think that those figures have
16 some significance for the future, when the St. Law-
17 rence Seaway will allow ships of a very different type,
18 the latest models built on the Great Lakes, which
19 cannot at present use the river, but which will be
20 able to do so then, do you believe that this tendency
21 justifies making a conjecture as to the future, when
22 we shall have the Seaway?

23 A. I do indeed, because according to
24 the information we have, the European shipping com-
25 panies, or certain European shipping companies
26 have already taken steps for the construction of
27 ships made specially to go up the new St. Lawrence
28 Seaway when it is finished.

29 Q. As far as you know, are they ocean-
30



1 going vessels?

2 A. Ocean-going, yes.

3 Q. Now, can you enlighten me a little, just
4 on that particular point. I am quoting page 4 of the
5 report, as published by the Commission, where under
6 the heading "Ships and Labour" ...

7 A. Yes.

8 Q. You speak there of 1,589 ships of all
9 kinds, owned by Canadian shipowners. Do you really
10 mean Canadian here, because you seem to be speaking,
11 if I understand correctly, of Canada's coastal ship-
12 ping, and I would like you to enlighten me on that
13 point.

14 A. Well, yes, I think it is the 485 which
15 are obviously foreign. Now, there are some arrange-
16 ments which are not always given in statistical publi-
17 cations, and on that very point, where it is diffi-
18 cult to establish with any certainty what proportion
19 of foreign ships there may be among them, the proba-
20 bility is that there are 485, but that includes all
21 types of ships, you see, like passenger ships and
22 mixed freighters.

23 Q. But when you say that "Canada's coas-
24 tal shipping is handled by 1,589 ships of all kinds,
25 owned by Canadian shipowners", you are not sure
26 if they are owned by Canadian owners?

27 A. No; that part, yes, I am certain,
28 it was from the publication "Water Transportation",
29 I think, that -- yes, that is taken from "Water
30



1 Transportation" by the Dominion Bureau of Statistics,
2 and the 1,589, I believe, which are really the pro-
3 perty of the Canadian owners; that does not mean
4 that all those boats were Canadian-built, though; how-
5 ever, the 485 may be foreign ships.

6 Q. May be, but not necessarily?

7 A. Not necessarily.

8 Q. When you speak of Canadian owners, the
9 ships in question may be not only ships built abroad,
10 but also ships registered abroad?

11 A. Possibly.

12 Q. When I say foreign, I mean outside
13 Canada?

14 A. Yes. The distinction is not made in
15 the Dominion Bureau of Statistics publication and of
16 course I am not in a position to make it myself.

17 Q. A little farther on, on page 5 of the
18 brief, under the heading "Foreign Competition", when
19 you give the proportion of coasting which is done by
20 non-Canadian ships, I presume those ships may also
21 be engaged in international trade?

22 A. I think so, yes; there may be a pro-
23 portion of them, let us say "X" for example.

24 Q. You are not in a position to dis-
25 tinguish between the two, to separate them?

26 A. No, it is a point I should like to
27 have been able to go into more thoroughly, but I
28 believe that the source of information is not avail-
29 able to us. Perhaps the Dominion Bureau of Statistics
30



1 could do it.

2 Q. A little farther on in your brief you
3 speak of operating expenses for ships flying the
4 Canadian flag or those flying other flags.

5 A. The comparison which is made here.

6 Q. Now the great difficulty is in the wage
7 paid in either case.

8 A. As a matter of fact, yes.

9 Q. If you take the case of ships register-
10 ed outside Canada and engaged in the coasting trade
11 solely in Canada, do you believe that such a differ-
12 ence in wage scales could be maintained for long?

13 A. Well, I know that in another brief to
14 the Commission, that very problem was touched on.
15 I am not sufficiently familiar with the employer's
16 problem in the shipping sphere to be able to answer
17 to the point on that question. If British seamen
18 became more scarce, that could change the situation.

19 Q. Because there is a double argument
20 which was presented to the Commission. You could
21 perhaps give your opinion regarding it. It is that
22 on the one hand, for efficiency in the coasting
23 trade, it should be carried on with ships which
24 would not lend themselves as well to trans-Atlantic
25 trade, and on the other hand, if it is done by
26 coasting vessels of a type which is poorly adapted
27 to Canadian ocean transport, the English sailors,
28 from the British Isles, because the ship is regis-
29 tered there, those fellow, those sailors will
30



1 certainly put up with that difference in wages for
2 months and months, for years. I wonder if you have
3 an answer to the argument that we do not need more
4 restrictions, and that protection will come by itself?

5 A. Well, here you are: sailors can always
6 be replaced. Now, that would be possible if the
7 owner of a ship wished to continue benefiting by a
8 lower cost, there is nothing to prevent him from re-
9 placing his sailors if need be, if their attitude
10 becomes worse, if their obedience is doubtful, if
11 there is really a danger of very high wages. That
12 particular problem for the owner may be got around
13 by those means. At least, that is my opinion.

14 Q. That is where the possibility you men-
15 tion, the scarcity of sailors from the British Isles,
16 might arise, in some way.

17 A. But is there anything to prevent -- may
18 I ask you a question in turn? Is there anything to
19 prevent the sailors of other countries from being
20 hired on Canadian boats?

21 MR. MARCEL BELANGER: In English boats?

22 A. English or English-Canadian.

23 MR. GERIN-LAJOIE: Q. According to the
24 requirements of the unions ...

25 A. International unions.

26 Q. Which opposed any such thing, if I
27 am not mistaken.

28 Now in such a case, the British ships can
29 take on only a British crew, because they are not
30



1 subject to the laws of Canadian agencies or Canadian
2 labour unions.

3 Now, you touched to some extent on the differ-
4 ences of interests between one economic region in
5 the country and another. With regard to the changes
6 you suggest in the laws on the coasting trade in
7 particular, have you anything to reply with respect
8 not only to Newfoundland, but to the Prairie Pro-
9 vinces, for example, who say: See here, this is not
10 a matter of individual interest with us, it concerns
11 the interests of an entire economic region, which
12 are at stake; if the cost of transportation rises in
13 the least, or if we do not get the full benefit of
14 the Seaway -- it is intended to bring a reduction in
15 rates -- an entire economic region will suffer as
16 a result.

17
18 What have you to say in reply to that argument?

19 A. Would you mind -- I do not know whether
20 I understood your question properly.

21 Q. For example, the westerners, from the
22 Prairie Provinces say: If we do not get the full
23 benefit of the rate reductions which ought to re-
24 sult from the St. Lawrence Seaway, well, there are
25 two sectors of the economy which suffer by it,
26 and as a matter of fact, those who will profit by
27 it will be the shipbuilding interests, if you will,
28 and the trading and transportation interests, let
29 us say the interests not only of the owners, but
30 also of the workers of an economic sector.



1 A. I believe we can expect that the St.
2 Lawrence Seaway will bring about a drop in transpor-
3 tation rates; in any case, I do not see how the
4 opposite would be possible.

5 Q. Now, there would be a smaller decrease,
6 let's put it that way, if there was an increase in
7 the cost of building ships and in operating costs?

8 A. Yes, as a matter of fact, it may
9 happen that there will be a smaller decrease.

10 MR. MARCEL BELANGER: They want to have the
11 full decrease.

12 A. Of course, we, we are taking a stand
13 from the standpoint of the general interest of the
14 country, if you will, from the standpoint we explained
15 a while ago, and we believe that even if that did
16 happen that the decrease in costs was less, it is
17 worthwhile accepting some sacrifices on that score
18 in order to protect the higher interests of the
19 nation.
20

21 MR. GERIN-LAJOIE: Q. Taking for granted
22 for the purposes of this argument that the higher
23 interests of the nation would exact such a cost,
24 would not the policy of subsidies by the Federal
25 Government be a way of spreading over the whole
26 nation the cost of a restrictive or protectionist
27 system such as you propose?

28 A. As I was just saying a little while
29 ago in my testimony, we do not favour in principle
30 a policy of subsidies, but if the situation became



1 such that it became necessary to establish one, I do
2 not believe that anyone would be unalterably opposed
3 to it; and there are certainly various ways of setting
4 up a policy of subsidies. The one which would
5 appear to me to be the least dangerous is the one
6 that would be based on the grant of a percentage of
7 water transportation in general, so as to reduce it
8 to a level judged to be fair to everyone, instead
9 of directly subsidizing the shipbuilder or the per-
10 son placing the order, I mean the shipyard or the
11 owner who wishes to place an order for a ship.

12 Q. Before speaking of the form of the
13 subsidies, have you anything to answer to the ideas
14 of people, for example, of the Prairie Provinces -- I
15 do mean as an example -- who say, "Not only would it
16 ^{an} be acceptable system, but it is one of the fairest,
17 [^] because it spreads the cost over the whole nation,
18 whereas otherwise it would be the Provinces of
19 Quebec and Ontario which benefit the most from a
20 protectionist system, while the Prairie Provinces
21 do not profit from it"?

22 A. That is the argument in every case.
23 It has been invoked to settle all the nation's
24 problems. People speak of the policy of subsidies
25 to spread the cost of all the services which Canada
26 must maintain with Government help. That goes as
27 far as the problems of fiscal relations between
28 the Provincial and Dominion Governments. That
29 argument is found everywhere, in all spheres of
30



1 economic activity in Canada, and we have to take it
2 into account in a measure of -- in the case of
3 shipping, as in every other case.

4 Q. That brings me to ask you this ques-
5 tion: What objection have you to such a system of
6 subsidies?

7 A. Because in principle it must be admitted
8 that subsidies suppose or involve interference by
9 the Government in the enterprises which benefit from
10 subsidies, and that is a fairly serious obstacle.

11 Q. Can you explain what you mean by "in-
12 terference by the Government in business"? Imagine,
13 for example, a subsidy given to the builders or to
14 the shipyards, a percentage of the cost of construc-
15 tion.

16 A. Yes.

17 Q. How do you see interference by the
18 Government, to use your expression?

19 A. Well, it's like this: The Government
20 has to justify its grant. In short, it must go
21 even into the accounts of the firm to see if the
22 grant is justifiable, I would think.

23 Q. Are there not relatively simply
24 means available to the Dominion Bureau of Statistics
25 and the Canadian Maritime Commission for establish-
26 ing that difference in cost between building a
27 ship in Canada and building one in Great Britain,
28 for example, and in this way establishing a scale
29 of subsidies?
30



1 A. Yes, scales of subsidies can be estab-
2 lished. I know that in the United States they give
3 them to transportation companies; I do not know much
4 about the details, about the formula used, but I
5 know that they are based on tenders awarded by ship-
6 ping companies, shipbuilding companies of other coun-
7 tries even, they go that far; but just the same, the
8 Government has to control to its satisfaction the
9 firms benefiting from its grants. When I say "con-
10 trol", I mean ensure that the entire structure is
11 justified.

12 Q. Now, you told us that as a sovereign
13 country Canada should take care to protect its
14 economy by adequate means of transportation. Does
15 your argument justify the conclusion that the ships
16 should be built in Canada? Can you explain to us
17 how you reach that conclusion?

18 A. Because protection -- by national secur-
19 ity, we do not necessarily mean the case of wartime
20 emergency.

21 Q. No, only from the economic point of
22 view?

23 A. From the point of view of economics,
24 of the economic structure of the country, there
25 are two arguments on that. Wait a second while I
26 think ...

27 Q. I do not know, but maybe I can help
28 you. For example, from the standpoint of opera-
29 tion, I understand that if a strike, if there is a
30



1 strike of seamen who do not come under the laws and
2 powers of the Canadian Government, from the Canadian
3 Government's point of view, that may present a
4 problem?

5 A. Yes.

6 Q. There is a very strong objection. They
7 could require a ship to be registered in Canada, to
8 fly the Canadian flag and to be under Canadian control,
9 but nevertheless it could have been built in England?

10 A. Yes.

11 Q. In such a case, what danger do you
12 see to our economy?

13 A. I see a danger to the economy of the
14 shipyards.

15 Q. With your permission, I should like
16 very much for us to stick to one certain argument.
17 We are thinking of the national economy and the means
18 of transportation as being essential to the national
19 economy. For example, it is necessary that wheat
20 can be transported, even if there is a strike of
21 English seamen?

22 A. I agree.

23 Q. Does the fact that ships would be
24 bought in England affect the transportation of
25 wheat to Montreal or to Seven Islands?

26 A. No, the fact of buying a ship abroad
27 would not change anything in that respect, but
28 from the standpoint of the national economy, for
29 example, that will make some change as far as we
30



1 are concerned. The creation of allied industries
2 which will supply raw materials to the shipyards
3 themselves, or their disappearance, since the ship-
4 yards are now using some of those raw materials, and
5 that is going to create a shortage of income among
6 a large section of the population, multiplied by an
7 economic factor of ...

8 Q. Now, this brings us to another question.
9 First, do you foresee, if there is no change in the
10 Canadian legislation, that the Canadian shipyards
11 may disappear completely?
12

13 A. Well, it's like this ...

14 Q. Or is it a question of degree?

15 A. We find that here in Quebec, the labour
16 force in the shipyards dropped, at a given time,
17 from close to ten thousand (10,000) to six hundred
18 and forty (640) persons. At the present time, the
19 thing that is encouraging an increase in labour at
20 the shipyards is the building of warships, but if
21 the naval craft are not to be built at the present
22 rate, permanently, that factor may be considered
23 as an absolute factor which gives temporary assis-
24 tance now, but if the international situation
25 changed for the better, it is quite possible that
26 the program for construction of these naval craft
27 would be reduced, even radically reduced. Then we
28 could only count on the construction of merchant
29 ships, either for coasting or for deep-sea opera-
30 tions.



1 Q. Do you foresee the possibility of
2 complete disappearance of the shipyards or do you
3 only fear that it may be shaken to its foundations?

4 A. It may happen that several shipyards
5 will go under completely. One went out of business
6 here in Quebec in 1949. It may very well happen
7 that some will fold up here or somewhere else.

8 Q. From that, this brings me to ask you
9 this question: Should Canada maintain, in peace-
10 time, shipyards just as active with regard to the
11 number of employees, work, etc., as in time of war?

12 A. It goes without saying that during
13 times of war the shipyards are called to increase ac-
14 tivity, like many industries, and it would be a de-
15 lusion to hope that we could maintain the level of
16 employment permanently at that maximum. The fact
17 remains, that an activity reduced to twenty (20) per-
18 cent, as is the case at present, seems to us lower
19 than it ought to be.

20 Q. May I ask on what you base that
21 answer, because if I am not mistaken, in the United
22 States the present Government estimates that the
23 activities of the shipyards in peacetime could be
24 considered ideal when they are at ten (10) percent
25 of their wartime activity?

26 A. It's this way. I base my answer
27 mainly on the phenomena of the local economy, be-
28 cause I am at present speaking only of the local
29 shipyards. For example, from the standpoint of
30



1 the local economy, the factor of shipyard labour is
2 very important, because that represents, we have a
3 total labour force in Quebec and the neighbouring
4 region of approximately one hundred thousand (100,000)
5 persons, and if five (5) or six (6) thousand more
6 workers are withdrawn from the shipyards, you can see
7 what a percentage that represents in the whole of
8 our labour force, of our local economy.

9 Q. The figures you mention refer to the
10 difference between wartime and peacetime. In those
11 times, is it not inevitable that there will be
12 changes?

13 A. From ten thousand (10,000) to six hundred
14 (600), I think that is a bit abnormal.

15 Q. Now, in connection with the number of
16 shipyards, would you go so far as to suggest that
17 there should not be any decrease either in the number
18 of shipyards between time of war and time of peace,
19 or would that again be a question of degree?

20 A. Well, I think that there is a question
21 of technique that comes in there, of industrial
22 technique. In short, if it is foreseen that the
23 requirements of war would be as great, if not greater
24 than those of the last war, and if a large number
25 of shipyards are closed, will we have the expert
26 labour we should have in times of stepped-up
27 activity, activity which will require additional
28 services. That is a definite factor in support,
29 for someone who is not a specialist on the question,
30



1 of course, but we know that the training of labour
2 will be more and more costly according as shipbuild-
3 ing technique itself becomes complicated.

4 Q. Still, with the present technical
5 labour available, is it not true that we could suc-
6 ceed in training competent workers in a particular
7 specialty in a very few weeks?

8 A. Yes, in certain types of trades, that
9 is the case. It is true, however, that unskilled
10 labour turns out an inferior quality of work, which
11 may have very serious consequences on the finished
12 product, on quality.

13 Q. Nevertheless, just one small detail,
14 when you speak of less expert workers turning out
15 work of inferior quality. The question I am asking
16 you takes the present case where each worker is
17 called on to operate a quite special machine, and is
18 trained. Then the work is relatively simple. Now,
19 in that case, it seems to me that the work done is
20 not superior to that which a worker performs with a
21 little more experience?

22 A. That involves, perhaps, the question
23 of attitude. It is the worker called the casual
24 worker. He presents himself at a firm such as a
25 shipyard to work at some trade which can be learned
26 in three (3) weeks. He does not have the profes-
27 sional conscientiousness of a permanent employee,
28 and it is possible, I have had knowledge, indirect-
29 ly, of very annoying experiences in the field of
30



1 aircraft work, for example, where rivets were badly
2 set, and that, because of the type of worker, caused
3 the loss of lives. The same thing may occur in
4 shipbuilding.

5 Q. Now, with your permission, I shall
6 pass on to other points, which I shall make fairly
7 brief.

8 In the first place, I refer to page 13 of the
9 volume, that is, to chapter 5, The Canadian Merchant
10 Marine - History, in the sixth paragraph of page 13
11 I read: "The failure of 1936 was repeated in 1948;
12 our ships, too slow and too expensive, could not
13 stand the competition of faster and more modern units
14 coming from the overseas shipyards".

15 Can you throw any light on that? I do not
16 believe that anyone has ever represented to the Com-
17 mission that Canadian ships were slower.

18 A. Well, I quoted the terms almost textu-
19 ally in that part; in any case the quotation is
20 given in the report of the Royal Commission on Coast-
21 ing Trade and I believe that the two words "too
22 slow" and "too dear" are in one of the documents I
23 had at that time.

24 Q. So we would have to go and look at
25 the document to get an explanation?

26 A. Well, the document, I could no doubt
27 find the exact place again.

28 Q. I believe the quotation is between
29 quotation marks. You gave the reference, didn't
30



1 you?

2 A. Yes.

3 Q. Further on, on page 17 of the printed
4 book, chapter 6, Shipbuilding effects on the local
5 economy, you quote the Canadian Maritime Commission -
6 it is the third paragraph on page 17: "For this pur-
7 pose it is considered that shipbuilding in Canada
8 should employ 7,000 men in the shipbuilding yards
9 situated at strategic points". You will realize
10 that if the number of workers in shipbuilding yards
11 is estimated as 7,000 you will be far from having at
12 Quebec the number of workers you seem to want to
13 have in the shipbuilding yards?

14 A. Exactly, labour in the shipbuilding
15 yards of the Province amounts to 2,350. So that
16 would leave us an average of about 1,000, which is
17 half the number we have actually. That is why, a
18 moment ago, we were basing our objective on considera-
19 tions other than those of purely technical require-
20 ments such as those estimated by the Maritime Com-
21 mission.

22 Q. Now, to keep to general matters before
23 going on to small shipping. A while back you
24 mentioned the increased depreciation which the
25 Canadian Government would have to grant for ships
26 built in Canada in order to assist Canadian ship-
27 building. Will you tell us what you meant by
28 that?

29 A. For the purpose of corporation income
30



1 tax.

2 Q. Because there is already an Act which
3 provides for the depreciation of a ship built in
4 Canada in three years?

5 A. Yes.

6 Q. That is to say 33 1/3 percent per year?

7 A. Yes.

8 Q. Have you anything different in mind?

9 A. Not necessarily, I made a note of it
10 a little while ago.

11 Q. But Canadian legislation already grants
12 this privilege?

13 A. Already now it is generous.

14 Q. Now, on referring to your short supple-
15 mentary brief which has been submitted as Exhibit No.
16 71, on page 3, you speak of the difference between
17 the cost of transshipment in Montreal and in Quebec
18 and in particular, in the fourth paragraph of page 3
19 it says: "The owners of small craft must therefore
20 pay 5 cents more per hour to the stevedores in the
21 Port of Quebec than to those of the Lachine canal
22 area of the Port of Montreal". Will you explain
23 what you mean by that? Am I to understand that
24 all these wages are fixed under Provincial Acts or
25 are they fixed partly under Provincial Acts and ad-
26 ministration and partly under Federal administra-
27 tion?

28 A. Yes, I think that those which are
29 concerned here all come under Provincial Acts.
30



1 Q. Can you explain the difference in rates
2 between Quebec and Montreal?

3 A. The explanation is that the work is
4 somewhat different owing to the fact that the port ...
5 shipping which exists here, small shipping in the
6 port of Quebec can if you like, be considered as a
7 whole. Let me explain. In the Lachine Canal area,
8 you only have small schooners; in the area which we
9 are considering there are small schooners which
10 benefit by a rate of \$1.43 per hour, and in Quebec
11 it is the same workers who do the work on larger craft
12 and the agreements differ. It is one of the factors
13 which causes the agreements between employers and em-
14 ployees to differ.

15 Q. Who told you there are preferential
16 rates in Montreal, for coastal shipping craft and
17 that there are none in Quebec?

18 A. The rate is not the same. It so happens
19 that there are three in Montreal whereas in Quebec
20 there are two. Those who operate in the area of
21 the Lachine Canal in Montreal are entirely ...

22 Q. Outside the area controlled by the
23 National Harbours Board in Montreal?

24 A. Yes.

25 Q. How do you explain that difference,
26 because obviously you emphasize the fact as some-
27 thing to be remedied?

28 A. Yes.

29 Q. Do you know its origin or cause?
30



1 A. Well, in any case, the question of
2 wages, five cents difference per hour is put forward
3 not as an argument to ask the Commission here to
4 take measures to remedy the situation but simply as
5 an argument which demonstrates that the disadvantages
6 we have to put up with here already exist and that
7 consequently others which can be remedied by the
8 Government may disappear.

9 You see, there is a question here of agree-
10 ment between groups of employees and employers. It
11 may well happen that the difference of five cents is
12 purely a question of local conditions in both
13 cases.

14 Q. Do you consider that would justify ac-
15 tion by the Government?

16 A. Not as far as wages are concerned.

17 Q. No, but because of a wage situation,
18 do you think the Government should adopt other mea-
19 sures to fill the gap between wages and prices paid?
20

21 A. No, not at all.

22 Q. How does that fit into your argument?

23 A. That part, this is how it comes into
24 the argument. Firstly, we start from equality or
25 parity of rates

26 Q. Rates for what?

27 A. Rates for transport, for navigation.
28 So, on that point we have no advantage, we are on
29 an equal footing. The disadvantages from which we
30 suffer are top wharfage dues, port dues and ground



1 rental, and the matter of labour, the difference of
2 5 cents for labour is only brought forward to demon-
3 strate that in fact we are far from regaining any
4 advantage on those points, which we have mentioned
5 elsewhere and not at all for the purpose of asking
6 the Government to intervene and amend the wage
7 situation. That is an entirely different matter.

8 Q. With regard to top wharfage dues, could
9 you tell us, could you explain that briefly?

10 A. There are two rates which are used in
11 Canadian ports: the rate established by the National
12 Harbours Board for ports which come under the juris-
13 diction of the National Harbours Board, and the one
14 which belongs to the general tariffs of the Depart-
15 ment of Transport, which are applied in other places
16 where there are ports, and it is the latter which
17 are applied in the area of the Lachine Canal, and
18 they are about one-third less in the case of top whar-
19 fage dues.

20 Q. Do you know why this difference exists
21 between the areas which come under the Department
22 of Transport and those under the National Harbours
23 Board?

24 A. I believe it is a matter of internal
25 administration. With regard to the National Har-
26 bours Board, to my mind, that is one of them. More-
27 over with regard to the other ports administered by
28 another body, each of the two rates is established
29 independently without previous agreement between
30



1 the two authorities.

2 Q. This differentiation which exists in
3 Montreal between the two areas, do you submit that
4 it should be established in Quebec?

5 A. For small shipping, yes.

6 Q. Is it a matter of internal adminis-
7 (* it)
8 tration or is not simply a matter of territorial
9 limits, that is, a piece of land adjacent to another
10 is not subject to the same authority?

11 A. Basically, yes.

12 Q. To be logical do you not suggest, that
13 that should come under the same authority or that
14 in any case there should be an understanding between
15 the two authorities concerned?

16 A. Well, now, I think that it would be ill
17 advised to ask for an increase in the rates in the
18 Lachine Canal area.

19 Q. A reduction in those of the national
20 ports should be requested?

21 (* to)
22 A. Preferably, as the disadvantage it
23 might cause us only applies to small shipping, we
24 have not wanted to go beyond the problem of small
25 shipping, in fact we are not going beyond the
26 question of small shipping in that sector.

27 Q. The same thing applies to ground
28 rental?

29 A. The same thing, yes.

30 Q. I do not want to prolong this ques-
tioning but I just want to ask you a question, it



1 may make you smile because it comes from a Montrealer.
2 Why do you say that Quebec, and it is no doubt the
3 City of Quebec that you have in mind, is the ideal
4 place for putting up huge elevators for wheat stor-
5 age?

6 A. Because we are the last important east-
7 ern port on the St. Lawrence estuary and that we have
8 less shipping than in Montreal, which nevertheless
9 has a relative importance and would provide a maximum
10 of operation, which cannot be found elsewhere if one
11 tries to go still further east.

12 Q. Now, the construction of elevators,
13 should that not result to a large extent from the de-
14 velopment of local economy and local industrial demands
15 which bring in the ships and which call for trans-
16 shipment of all kinds of cargo?

17 A. Well, here two problems arise. There
18 are ships - that has always been recognized - which
19 arrive from Europe and from Canada practically empty
20 and they go back loaded, which rarely happens in
21 the reverse direction. I believe that, practically
22 speaking, it can be said that it never happens.
23 In any case, there are ships which come to Canada
24 empty to get cargoes and the argument you submit
25 does not exist in the case of full cargoes; those
26 ships once loaded take in any port and the nearer
27 the better so as not to have far to go and to get
28 back as soon as possible.

29 Q. Maybe they should be set up at Seven
30



1 Islands?

2 A. Well, at Seven Islands, there is the
3 disadvantage that there is no return cargo whereas
4 here we have it.

5 Q. There is no return cargo for what ships?

6 A. I mean for those returning there is no
7 cargo, intended for Seven Islands.

8 Q. Do you mean for Great Lake ships or
9 ocean-going vessels?

10 A. Ocean-going vessels.

11 Q. Do you mean that the ships which would
12 come from Europe could not unload their cargo at
13 Seven Islands because it is not a good place?

14 A. Because there is no economic hinterland,
15 because there is only iron ore there and if the hinter-
16 land of Quebec is less important than that of Montreal
17 there is nevertheless one which will develop as the
18 economic area extends towards the northeast.

19 MR. GERIN-LAJOIE: That is all, Mr. Chairman,
20 I shall have a few questions for Mr. Turcotte.

21
22 ---AND THE WITNESS SAYS NOTHING FURTHER.

23

24

25

26

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1 MR. GERIN-LAJOIE: Q. Mr. Turcotte, you
2 pointed out to us that it was important for the econ-
3 omy of a country like ours that a considerable per-
4 centage of our trade should be carried by ships con-
5 trolled by the Canadian Government?

6 A. I do not mean necessarily under adminis-
7 trative control but under legal control.

8 Q. Of Canadian legislation?

9 A. Yes.

10 Q. You spoke of percentage. I suppose
11 that at present that is what is happening, only a
12 certain percentage of our trade is carried by ships
13 under Canadian flag?

14 A. That is correct.

15 Q. Have you any reason to believe that
16 this will change if no amendment is made in the pre-
17 sent Canadian legislation?

18 A. I presume that it would still be an
19 overall percentage but it is perhaps to be feared
20 that this percentage might be reversed; the percen-
21 tage of sailors who do not come under Canadian law
22 is steadily increasing and I believe this might
23 create a danger to be avoided.

24 Q. When you say percentage, are you able
25 to give us a figure?

26 A. Well, not an exact figure, no. I
27 do not believe it possible to give an exact figure.

28 Q. Now, I can follow that argument fairly
29 well as regards a legislation which can to a certain
30



1 extent control the operation of the ships. For in-
2 stance, the example of a strike was given, and a
3 strike must be controlled by Canadian legislation
4 not to say by the Federal Government, but would you
5 go so far as to say that the ships must actually be
6 built in Canada so that Canada, or rather Parliament,
7 can control the home shipping trade?

8 A. I say again, to a certain extent, yes.

9 Q. Well now; the situation you have des-
10 cribed to us with regard to shipping can exist in
11 a general way for construction, and an emergency can
12 arise where the building of ships intended for Canada
13 can be affected by strikes in the British shipbuilding
14 yards or a shortage of power. In a case like that,
15 for example a shortage or a strike or for one reason
16 or another, is there not the escape of being able to
17 build in other countries?

18 A. Yes, if conditions in our own yards
19 allow them to start up again immediately, because if
20 we continue to let our yards go down, then when an
21 emergency arises they will not be able to proceed
22 immediately with the ships required.

23 Q. Could they not be built in other
24 countries such as Japan or Germany?

25 A. Possibly -- certainly, it could be
26 done; it is presumed that if an emergency arises in
27 the case of operating a ship, if there are goods to
28 be shipped, if someone should have a shipment of
29 wheat a ship is immediately available.
30



1 Q. But in the case of building, there are
2 only a certain number of ships available?

3 A. Certainly, time required is not the
4 same, but, I think the dangers are of quite a differ-
5 ent nature.

6 Q. You also spoke about the necessity of
7 continuous activity in the shipyards. You also men-
8 tioned that at the present time shipyards in the
9 Quebec area are only working at around 20% of their
10 wartime activity. You did not say of their wartime
11 activity, you said 20% of their capacity, of their
12 activity, and that brings me to ask you what you
13 consider to be normal activity?

14 A. If you will permit me to do so I will
15 quote a part of the question you asked Mr. Poisson,
16 where you said that in the United States, it was
17 estimated that a 10% activity was sufficient; I be-
18 lieve that we are in a totally different position
19 because their inland shipping traffic is almost in-
20 existent whereas here it constitutes a large percen-
21 tage of our freight transport, that is one of the
22 reasons why we must have facilities for building
23 and a larger fleet because there is also the fact
24 that, speaking only of coastal shipping and more
25 particularly of high-sea shipping, the percentage
26 of foreign trade of the United States, in relation
27 to their national income, is much less than in
28 Canada. Here in Canada international trade, inter-
29 national traffic, if you like, represents from 25
30



1 to 28 percent of our national income, whereas in the
2 United States I believe it amounts to about 12 to
3 15 percent or maybe less.

4 Q. Of course, I can understand that that
5 justifies the obvious difference between our figures
6 and those of the United States, in peacetime, but I
7 fail to see why it should justify a difference between
8 the peacetime and wartime figures of the two countries?

9 A. Well, one can expect that the States
10 would make a much greater effort than Canada, and in
11 view of a certain political set-up between two pos-
12 sible areas of conflict, they might have to supply
13 military aid on both sides at the same time and so
14 they need a larger fleet as compared with the Canadian
15 war effort. Proportionately, Canada's total effort
16 was, I believe, much less than the share borne by
17 the navy in the war effort, and so I consider it as
18 quite normal that the proportions should not be the
19 same and that it is considered that in Canada in
20 peacetime the shipyards should only have 50 percent
21 of their wartime activity.

22 Q. Now, I would like to ask you a few
23 questions regarding the alternative formula of sub-
24 sidies to ensure the activity of our shipyards
25 and the maintenance of a fleet for the coasting
26 trade. First of all, what is your opinion of the
27 argument that a policy of subsidies allows for a
28 more even distribution throughout the country,
29 among all Canadian citizens of the cost of maintain-
30



1 ing a fleet and shipyards for purposes of national
2 security with regard to the economic point of view?

3 A. It seems to me -- in the first place, I
4 believe there might be other formulas for help and
5 assistance, if assistance to our shipping and to our
6 shipyards, if such assistance is necessary and de-
7 sirable, I am speaking of the principle of the need
8 for that assistance, if it is paid, subsidies are
9 a possible formula, help or assistance to shipping
10 and to shipbuilding. I believe a policy of subsidies
11 from the central authority are justifiable when it
12 is considered that the services rendered to the pub-
13 lic by these subsidies are necessary, when they are
14 justified by the argument of actual national or
15 economic security, I absolutely do not see, personally,
16 and I do not believe that I am reflecting the opinion
17 of the Chamber of Commerce on that subject, but I
18 see no objection to a policy of temporary subsidies
19 to assist a particular industry or an area to free
20 itself, let us say, from a temporary depression.

21 Q. Now, here we have a concrete position,
22 that is that there is a submission to be made to
23 the Commission here by the Chamber of Commerce
24 of Quebec and by other bodies also, to the effect
25 that our shipyards must without fail be maintained
26 and, secondly, that we must have a coasting fleet.
27 We say that the way to achieve this is to limit the
28 coasting trade to vessels built and registered in
29 Canada?
30



1 A. Yes.

2 Q. Other people say: "No, that is not
3 the right way because you are making certain parts
4 of the country who will not benefit, or at least will
5 not benefit by it to the same extent as others, bear
6 the cost of this reform. There is another way of
7 distributing the cost, that is, by means of subsidies
8 in place of protection and not as a supplement there-
9 to." What have you to say to that argument?

10 A. Well, I believe the two formulas con-
11 stitute direct or indirect assistance to shipbuilding
12 or to a Canadian fleet. Now, I do not believe per-
13 sonally that the policy of subsidies might be more
14 adequate, would better serve these purposes, than a
15 policy of protection. A policy of subsidies can in
16 any case be stopped and controlled by an authority;
17 whereas a policy of protection, when a tariff is
18 established, one hardly ever knows what the result
19 will be from the point of view of efficiency and econ-
20 omics.

21 Q. You say that it is not obvious that
22 the cost of operating the ships would be higher if
23 there were restrictions, or am I to believe that it
24 is only the angle of restrictions that you have
25 considered the situation?

26 A. Yes.

27 Q. If that is the case, do you see any
28 reason why restrictions should be made? If an
29 operating cost can be reached which includes depre-
30



1 ciation, which constitutes so much of the cost of
2 construction, without being higher than what we have
3 at present when we have British ships, is there any
4 reason to set a restriction?

5 A. There is the following reason: Whereas
6 there are no restrictions elsewhere on coasting trade,
7 there is a certain amount of restriction on the
8 coasting trade in Canada, but there are several kinds
9 of restrictions for the coasting trade. I believe
10 that in other countries it is practically impossible.
11 Therefore I believe that there is a difference in
12 the cost of operation owing to the fact that depre-
13 ciation and the operation of Canadian ships because
14 there is restriction of Canadian or foreign coasting
15 trade, cannot be distributed over a same period for
16 the same services; and I believe that a reduction of
17 cost, that is to say an increase of cost, will not
18 necessarily take place if our ships, if a Canadian
19 coastal trade fleet, is built, where the units would
20 be used for definite purposes as compared with ships
21 for general use where one can put all kinds of
22 cargo.

23 Q. Why do you believe that? Is it be-
24 cause of specialized production or because the
25 yards cannot manage to build them?

26 A. No, the principle -- the fact of spec-
27 ialization of the units has already given quite
28 considerable advantages, maybe accounting for
29 all the advantages in the cost.
30



1 Q. But could the British shipyards not
2 specialize in a certain type which would be useful
3 to us?

4 A. They very probably could.

5 Q. Could they not produce at a lower cost?

6 A. That again is quite possible and quite
7 probable.

8 Q. Because I am trying to see how it is
9 you come to say that it is inconceivable that the
10 cost will not increase in Canada if we enforce a
11 restrictive policy?

12 A. I maintain that, to a certain extent,
13 the argument of specialization of units -- and I
14 might also emphasize the fact that if continuous
15 orders are assured to our yards, the efficiency of
16 labour will increase, which would mean that the cost
17 might decrease to a considerable extent, and if
18 fairly regular orders reached our yards, the cost of
19 certain operations could be considerably reduced
20 owing to the equipment of our yards or that which
21 enters into assembly in our yards.

22 Q. Does it seem conceivable to you that
23 we could have a sufficiently continuous produc-
24 tion, such as the one you seem to have in mind,
25 and that the volume of ocean transport could allow
26 such continuous building as that?

27 A. Since 1867 practically no thought
28 has been given to the matter of a shipping fleet.
29 The theorists will no longer take the risk of
30



1 conceiving an ideal for a Canadian shipping fleet.

2 Q. Is there any talk of the coasting
3 trade?

4 A. Probably, I believe things are going
5 to continue in the same way.

6 Q. You believe that with the amount of
7 transport we have, I am speaking of water transpor-
8 tation, that would be sufficient to keep our yards
9 constantly occupied in building vessels for the
10 coasting trade?

11 A. I do not believe they would be kept
12 constantly occupied in building vessels for the
13 coasting trade to the extent I indicated a moment
14 ago, that is 50 percent of the wartime level of
15 activity, not -- perhaps not to that extent.

16 MR. MARCEL BELANGER: Thank you, Mr. Turcotte.
17 We will now adjourn until 2.30.

18
19 ---The Committee adjourned at 1.03 P.M.

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1 (English translation from French - Quebec City,
2 Quebec, September 28, 1955)

3 MR. GERIN-LAJOIE: Mr. Chairman, the follow-
4 ing report, number 49, is presented by the St. Law-
5 rence Shipowners' Association Inc. Mr. Andre Verge
6 represents the Association.

7
8 REPRESENTATIONS OF THE SAINT LAWRENCE SHIP-
9 OWNERS' ASSOCIATION INC.

10
11 MR. ANDRE VERGE: Mr. Chairman, before read-
12 ing my notes, I would like to ask your permission to
13 read my notes in French, and before beginning, I
14 want to state that our brief was prepared by the
15 Board of Directors of the Association and by Mr.
16 Morin, their legal adviser, who has since been appoin-
17 ted to the Bench of the Province of Quebec.

18 Mr. Chairman, I shall first describe to
19 you the being and purpose of the Association which
20 I represent.

21 The purpose of the Saint Lawrence Shipowners'
22 Association Inc., which has been incorporated since
23 1936, is to promote the interests of the ship-
24 owners who are engaged in coastal shipping on
25 the Saint Lawrence River and in the Gulf of Saint
26 Lawrence.

27 Most of the ships are registered at Quebec
28 or at Montreal. The Association represents the
29 owners of about two hundred Diesel-powered ships.



1 All kinds of merchandise are transported by the mem-
2 bers of the Association to the various ports on the
3 Saint Lawrence River, the Gulf of Saint Lawrence,
4 the Great Lakes, and in Newfoundland.

5 The present status of coastal shipping
6 from the legal standpoint

7 Coastal shipping in Canada is regulated by
8 sections 669 to 673 of the Canada Shipping Act,
9 chapter 29, R.S.C. 1952, and by section 54 of the
10 Customs Act, Chapter 58, R.S.C. 1952, which also
11 applies to coastal shipping in Canada.

12 At the present time, only British ships have
13 the right to engage in coastal trade in Canada, and
14 a definition of a "British ship" is found in section
15 2, paragraph 5, and in section 6 of the Canada
16 Shipping Act, chapter 29, R.S.C. 1952. Such British
17 ships also include those vessels which are consider-
18 ed as "war prizes", captured by the British Common-
19 wealth Forces during the last two wars.

20 A foreign-built vessel cannot engage in
21 coastal trade in Canada without a licence obtained
22 from the Department of National Revenue, by paying
23 a twenty-five (25) percent ad valorem duty on the
24 machinery, hull and gear; however, section 673 of
25 the Canada Shipping Act, R.S.C. 1952, provides
26 that the Governor in Council may suspend the
27 application of sections 669 to 673.

28 At the present time, it is customary for
29 the Department of National Revenue to issue ship-
30 ping licences to British vessels, other than those



1 which are foreign-built, when two people sign a surety-
2 bond for \$500. The regulations to be followed for
3 the issue of this licence are as follows:

- 4 a) establish that the vessel was built in
5 the British Commonwealth;
- 6 b) produce a certificate to the effect
7 that the ship is actually a British ship, reg-
8 istered in Commonwealth ports, and owned by
9 British subjects;
- 10 c) that the officers possess certificates
11 from a British jurisdiction.

12 In addition, section 54 of the Customs Act,
13 chapter 58, R.S.C. 1952, decrees that a twenty-five
14 (25) percent ad valorem duty must be paid on the re-
15 pairs made to a ship in the course of the preceding
16 year. This duty corresponds to the duties paid on
17 the equipment imported into Canada for the repairs on
18 such ships.

19 As we see it, the difficulty stems from the
20 fact that the expression "foreign ship" is inter-
21 preted by the Department of National Revenue as ex-
22 cluding the countries of the British Commonwealth.
23 We submit that the expression "foreign ship", which
24 is mentioned in the Customs Act, ought to include
25 the British Commonwealth countries with the excep-
26 tion of Canada, and in support of our proposal, we
27 offer a Court decision recorded in the case of
28 Cashin versus the Crown, 4 D.L.R., page 547, 1935,
29 in which Judge Angers, interpreting the Customs
30



1 Act, declares: "I believe that, for Customs pur-
2 poses, a ship which is not registered in Canada,
3 even if it is a British ship, should be considered
4 to be a foreign ship."

5 We submit that the interpretation placed on
6 the words "foreign ship" is of the utmost importance
7 to the owners of Canadian ships, and even to the
8 maritime shipyards, for if they were interpreted as
9 is mentioned above, there is no doubt that Canadian
10 shipowners and maritime shipbuilding yards would en-
11 joy greater protection and, at the same time, com-
12 petition by foreign ships in Canada would become a
13 less serious problem for the owners of Canadian
14 ships.

15 The present situation of coastal shipping

16 According to the interpretation given at
17 present by the Department of National Revenue and by
18 the Canada Shipping Act, all vessels may engage in
19 coastal shipping in Canadian waters, with the excep-
20 tion of those built in foreign countries, as I have
21 already stated, which are required to pay a twenty-
22 five (25) percent ad valorem duty in order to ob-
23 tain a licence.

24 There is an urgent need to afford protec-
25 tion to Canadian vessels, as is done throughout
26 the world in all fields of transport, particularly
27 in the field of air transport, for they are unable
28 to compete adequately with the other vessels, es-
29 pecially if the following points of view are con-
30



1 sidered:

2 a) The cost of living is much higher in
3 Canada than in the other countries which send
4 ships into Canadian waters at the present
5 time.

6 b) The salaries of officers and men are
7 much higher in Canada than in these other
8 countries;

9 c) The cost of repairs to ships is also
10 a heavier burden for the owners of Canadian
11 ships;

12 and finally, the devaluation of the pound
13 sterling and the desire to obtain Canadian dollars
14 will considerably increase the number of ships which
15 will come and compete with coastal shippers in mari-
16 time transport.

17 We can foresee at present that the fate which
18 is reserved for Canadian coastal shippers is the
19 same as that of our sea-going fleet. The competi-
20 tion is so keen that last year a memorandum was
21 presented to the Hon. Maurice Duplessis, Premier of
22 the Province of Quebec, informing him that ships
23 which were not registered in Canada were transpor-
24 ting merchandise intended for Quebec Hydro, espec-
25 ially at Forestville, whereas this merchandise
26 could be transported by ships registered in Canada.

27 We respectfully suggest the following
28 methods of improving the chances of success of the
29 owners of Canadian ships in the coastal shipping
30



1 business in waters inside Canada:

2 a) Notify the signatories of the "British
3 Commonwealth Agreement" of the fact that
4 Canada wishes to change its laws with respect
5 to coastal shipping, for the purpose of res-
6 tricting coastal shipping in Canada to ships
7 which are registered in Canada and operated
8 by Canadian citizens, such change to take ef-
9 fect one year after notice has been given to
10 the other countries which signed the "British
11 Commonwealth Merchant Shipping Agreement" of
12 Canada's desire to modify its laws on coastal
13 shipping.

14 If this measure is found to be too harsh, we
15 humbly submit that the following reforms should be
16 carried out:

17 a) By virtue of section 11 of the "British
18 Commonwealth Merchant Shipping Agreement",
19 the regulations which apply to all vessels
20 navigating in Canadian Home waters may be
21 modified.

22 It would then be fair to provide for certain
23 regulations to the effect that ships which are used
24 or are to be used in coastal shipping in Canadian
25 waters must be strictly qualified for that purpose;
26 that Canadian holders of permits for Home waters
27 are to be considered as being qualified for the
28 voyages stipulated in their certificates, and that
29 Canadian citizens who possess a foreign trade
30



1 certificate are also qualified for coastal shipping;

2 b) that holders of certificates issued in
3 other parts of the Commonwealth must pass
4 oral or written examinations to prove their
5 qualifications to engage in coastal shipping
6 in Canadian waters; this regulation conforms
7 to section 17 of the "British Commonwealth
8 Merchant Shipping Agreement";

9 c) the owners of Canadian ships must in
10 due course complete a declaration of pro-
11 perty, establishing the fact that they own
12 property in Canada, before they may be regis-
13 tered as shipowners, and those who do not
14 possess such property must post a bond.

15 We submit that foreigners should also estab-
16 lish their ownership of property in Canada prior to
17 engaging in coastal shipping, in order to provide
18 the Government with the same security as the Canadian
19 owner is obliged to provide at present. Such bond
20 or properties serve the Federal Government as col-
21 lateral security, in the event it is obliged to
22 make some expenditures with respect to the vessels
23 navigating in Canadian waters.

24 Foreign owners should also furnish an affi-
25 davit to the effect that no repairs have been made
26 to their ships for a year, and if such repairs
27 have been made, they should pay the duties pro-
28 vided for in section 54 of the Customs Act.

29 It should be compulsory to obtain a coastal
30



1 shipping licence, and no ship should be given "clear-
2 ance" without such licence. The owners of foreign
3 ships should be compelled to pay their officers and
4 men the same salaries as those which the owners of
5 Canadian ships are required to pay.

6 The twenty-five (25) percent ad valorem duty
7 should also be increased to fifty (50) percent for
8 the owners of foreign ships.

9 Once adopted, these recommendations would be
10 profitable to the owners of Canadian vessels, who
11 would be in a better position to compete with foreign
12 vessels; these recommendations would also prove ad-
13 vantageous to Canadian maritime shipyards, which
14 would derive benefit more frequently from repairs
15 to be carried out on foreign vessels, since the lat-
16 ter always prefer, under the present conditions, to
17 have their repairs made outside of Canada, where
18 they can be made more cheaply.

19 As our last suggestion, Mr. Chairman, we
20 submit that part XIII of the Canada Shipping Act
21 should be modified in such a way as to make it
22 easier for the owners of Canadian ships engaged in
23 coastal shipping to purchase ships, so that such
24 owners and their clients might have, at all times,
25 vessels which would be shown as assets in their
26 annual financial statement, instead of appearing
27 as financial burdens, because of the overly-costly
28 annual repairs.

29 MR. GERIN-LAJOIE: Mr. Chairman, I would
30



1 like to ask some questions.

2 Mr. Verge, I understand that the Saint Law-
3 rence Shipowners' Association Inc. is a corporation.
4 Could you tell us by virtue of which law?

5 A. By virtue of part III of the Provincial
6 Companies Act.

7 Q. Would you be in a position to furnish
8 the Commission with a list of the members of your
9 Association?

10 A. Certainly.

11 Q. At the present time, could you tell us,
12 at once, whether the majority or all of those con-
13 cerned are individual members, or whether you also
14 have companies?

15 A. Most of those concerned are individual
16 members, but there is also one member of our Associa-
17 tion, Clarke Steamship, which will, I believe, pre-
18 sent a report at Montreal.

19 Q. Now, the individual members you men-
20 tion, would you say they are all individual members,
21 except for Clarke Steamship?

22 A. Obviously, there are companies, but
23 the companies which belong to the Association have
24 two or three vessels at the most, but the majority
25 of the Association's members are members and ship-
26 owners.

27 Q. Could you submit to the Commission,
28 also in writing, during the next few days, or
29 within a short time from now, not only a list of
30



1 the members of your Association, but the number of
2 ships owned by each member as well. If you so desire,
3 the stenographer could perhaps let you have a complete
4 list of the questions which I would like to have
5 answered. Then, when you are giving us this infor-
6 mation, you could also give us the number of vessels
7 owned by each member?

8 A. Yes.

9 Q. Perhaps the tonnage of each vessel as
10 well?

11 A. As far as the tonnage is concerned, I
12 think we might say that the average is about six hund-
13 red (600) tons deadweight.

14 Q. That means then that there are some
15 whose tonnage is much below that figure, and others
16 of greater tonnage?

17 A. Yes.

18 Q. When making out the list of the vessels,
19 you might also indicate the name of each, and could
20 you tell us whether they are made of wood or steel?

21 A. Yes.

22 Q. For the purposes of the examination,
23 could you tell us right away if there are an appre-
24 ciable number of steel ships?

25 A. I believe that most of the ships are
26 of wood, but it is readily noticeable that, at
27 the present time, shipowners buy steel ships, which
28 permits them to navigate later in the Fall and to
29 start earlier in the Spring, even when there is ice
30



1 on the river.

2 Now, we have one member of the Association,
3 Captain Verreault, whose ship is in service in the
4 Arctic, around Churchill, and in addition, some
5 members of the Association also navigate in South
6 America during the winter.

7 Q. Could you tell us whether all the ships
8 which are in operation at present were built in
9 Canada, or whether a certain number were built else-
10 where?

11 A. Most of them were built in Canada; I
12 wonder if a very few of them were not constructed
13 elsewhere, perhaps a few in the United States, but
14 the majority in Canada.

15 Q. You might also give us this exact in-
16 formation with respect to each vessel?

17 A. Yes.

18 Q. Are all the ships registered in Canada?

19 A. All the ships are registered in Canada.

20 Q. Without exception?

21 A. Without exception.

22 Q. Can you tell us if the ships are al-
23 ways repaired in Canada?

24 A. They are always repaired in Canada.

25 Q. Except for urgent repairs?

26 A. As for urgent repairs, like those
27 which go to South America, obviously, if there
28 are urgent repairs, they must be made there, but
29 the others, in Canada.
30



1 Q. Can you tell us in which maritime ship-
2 yards, or where in Canada, these ships are repaired?

3 A. The ships are repaired -- there is a
4 maritime shipyard at St-Joseph de la Rive, the St.
5 Lawrence maritime shipyards, Orleans Island, at
6 Quebec, at Levis.

7 Q. Mentioning them one at a time, at
8 St-Joseph de la Rive, what facilities are there
9 there? Is it Marine Railway?

10 A. I cannot give you any further infor-
11 mation. I shall be able to give you that informa-
12 tion later on.

13 Q. At the same time as the others?

14 A. Yes.

15 Q. You mentioned "the Saint Lawrence Mari-
16 time shipyards", about which the Commission is in-
17 formed?

18 A. Yes, the Saint Lawrence Maritime ship-
19 yards.

20 Q. There again, you might tell us what
21 kind of facilities there are there, for the pur-
22 poses of the records.

23 A. Yes.

24 Q. You mentioned Levis?

25 A. Lauzon; they presented their brief
26 before Davie Shipbuilding.

27 Q. Are repairs made to small ships
28 like those owned by the members of the Association
29 in the various maritime shipyards at Lauzon?
30



1 A. Yes.

2 Q. Aside from that, what are the maritime
3 shipyards used by your members?

4 A. There are obviously some at Montreal;
5 I cannot give you the names of the maritime shipyards
6 at Montreal, but it is obvious that there must be
7 some at Montreal. I will be able to let you have
8 their names later on.

9 Q. Do you know of any other places aside
10 from St-Joseph de la Rive, below the City of Quebec?

11 A. I believe there is a small shipyard
12 at Ile aux Coudres but, naturally, many repairs
13 can be made by the owners themselves.

14 Q. At the same time as you provide us with
15 information on each maritime shipyard, could you
16 tell us whether shipbuilding is carried on in each
17 of such shipyards in addition to repairs, and whether
18 only wooden ships, or steel ships are built in each
19 case?

20 A. Yes.

21 Q. Could you tell us right away, or let
22 us have the information later on, whether an appre-
23 ciable number of these ships are licenced under
24 the Transport Act?

25 A. They are all licenced.

26 Q. All?

27 A. Yes.

28 Q. Even those whose tonnage is under
29 five hundred (500) tons?
30



1 A. Yes, because they must have that
2 licence in order to obtain their clearance.

3 Q. You say that they are all licenced not
4 only under the Shipping Act, but under the Transport
5 Act as well?

6 A. Obviously, there are two types of
7 licence which they must have.

8 Q. That is why I want you to distinguish
9 between them.

10 A. There is the black licence and the red
11 licence, as they call them.

12 Q. Are you in a position to know which
13 ships hold a licence under section 10 of the Trans-
14 port Act, chapter 271 of the Revised Statutes of
15 Canada?

16 A. Does it refer to the coasting trade?

17 Q. Yes, it is a licence which applies to
18 maritime transport from one place to another in
19 Canada.

20 A. I believe that they all hold that
21 licence, but in any case, I can check up and let
22 you know.

23 Q. Can you give us some information as
24 to the type of operations carried on by the mem-
25 bers of your Association? First, do these ships
26 make trips under contract in the main, or are
27 there some which work on a schedule which is deter-
28 mined in advance?

29 A. Some are employed by companies on a
30



1 yearly basis, and others ---

2 Q. What do you mean? Can you give us
3 an example?

4 A. Merely by way of illustration, let us
5 suppose that Anglo-Pulp has some wood to be trans-
6 ported during the navigation season. They may then,
7 and this is merely an example, hire a ship for the
8 year and the ship will be directed, the crew will
9 be the ship's regular crew, not an Anglo-Pulp crew,
10 however, its schedule is naturally fixed at the be-
11 ginning of the year, but most of them travel under
12 contract. They may transport wood one trip, and
13 return with a cargo of flour, commodities, all kinds
14 of merchandise.

15 Q. Can you tell us how many of the ships
16 held by the members of your Association transported
17 exclusively for one client, one company, let us say
18 during the last year, the season of 1954, for in-
19 stance?

20 A. I might furnish this information, but
21 naturally, it is a very small majority.

22 Q. A very small number?

23 A. Yes.

24 Q. As for the others, can you explain
25 to us what they do, whether their routes are laid
26 down in advance, or whether it varies? What are
27 their ports of call, what kind of merchandise do
28 they carry?

29 A. Naturally, as in the port of Quebec,
30



1 there is a shipping agency which receives all sorts
2 of merchandise. The shipping agency is an owner's
3 agency or intermediary, it acts as intermediary be-
4 tween a wholesaler, for example, who wishes to send
5 his merchandise down the river. He then gets in
6 touch with the shipping agency, and the shipping
7 agency then hires a boat to transport his merchan-
8 dise or some merchandise belonging to the client, to
9 the shipper.

10 Now the companies, and also the wood compan-
11 ies on the North Shore, a company has some wood to
12 be transported requiring four (4), five (5) trips.
13 In this case, either the Captain, knowing this, gets
14 in touch with the company, or the company gets in
15 touch with the Captain and asks him to make special
16 trips to transport this lumber.

17 Q. Are there some ships which are equip-
18 ped for certain types of transport, lumber for
19 instance, or are they nearly all of the same type
20 of construction, not only outside, but inside?

21 A. They are all built in about the same
22 way, except the biggest ships, naturally, which
23 are equipped to handle nearly all kinds of mer-
24 chandise.

25 Q. To return to the question asked a
26 few moments back, do these ships operate on a
27 schedule that is somewhat fixed?

28 A. Well, that is to say ---

29 Q. Or will they merely adapt to the
30



1 needs for transport, or to the merchandise to be
2 transported?

3 A. Normally, the Captain goes around to
4 see the clients who hire him during the off-season,
5 and then, he naturally lays down his own route for
6 the transporting he will do during the summer season.

7 Q. This route would not be established
8 to the point where it would be published and known
9 by the agents, and shown by fixed days and hours?

10 A. No.

11 Q. Does Clarke Steamship, for instance,
12 operate on a fixed time-table?

13 A. Yes.

14 Q. Are there other members of your Assoc-
15 iation who operate on that basis, or are there none
16 at all?

17 A. I do not believe there are many who
18 operate on the same basis as Clarke Steamship.

19 Q. You might tell us this definitely
20 when you answer the other questions?

21 A. Yes.

22 Q. Is this transportation carried out
23 from Montreal right down the river? What are the
24 exact regions served by the members of your Assoc-
25 iation?

26 A. They go from Newfoundland to the
27 Great Lakes.

28 Q. What part of the Great Lakes? To
29 the far West?
30



1 A. All the Great Lakes.

2 Q. All the Great Lakes?

3 A. Yes. Oh, they may go, they do go to
4 the United States, sometimes.

5 Q. Since you mention Newfoundland, do
6 they serve not only the Gaspé Peninsula, but the
7 other Maritime Provinces, Nova Scotia, as well?

8 A. Yes, there are coastal shippers there.

9 Q. Prince Edward Island?

10 A. Yes.

11 Q. You are speaking not only of Clarke
12 Steamship, but of other members of your Association
13 as well?

14 A. Yes.

15 Q. Do they also engage in coastal shipping
16 in Newfoundland, or is this work not done by members
17 of your Association?

18 A. Not in Newfoundland itself, I believe,
19 not in the Province of Newfoundland. Obviously, if
20 there is a trip to be made from Gaspé to Newfound-
21 land, they will go to Newfoundland, and naturally,
22 rather than make the return trip empty, they may
23 accept a cargo.

24 Q. To your knowledge, do they do any
25 transporting on the shores of Labrador?

26 A. There are some who go there.

27 Q. A little while ago you told us that
28 there was one ship on service in the Arctic?

29 A. Yes, one of them is engaged there
30



1 at the present time.

2 Q. What ports or places does it serve?

3 A. I cannot tell you which places. I
4 think they go -- I do not want to mislead you; I
5 cannot tell you exactly what ports, but I know that
6 it will be there for several months.

7 Q. When you speak of the Arctic, do you
8 mean Hudson Bay, or the North?

9 A. I cannot tell you exactly where they
10 are; I believe it is going to Churchill.

11 Q. Can you tell us the complete tonnage
12 of merchandise transported by the members of your
13 Association, say during the year 1954? You can pro-
14 vide this information?

15 A. It may be quite difficult. We do not
16 have the records of the tonnage of our members for
17 last year.

18 Q. Do you have them for other years?

19 A. I believe we may have them for other
20 years.

21 Q. To give us an idea of the importance
22 of this transport?

23 A. Yes.

24 Q. Now, can you tell us the essential
25 features of the services rendered by the members
26 of your Association? This is what I have in mind;
27 do they, for example, service localities which can-
28 not be serviced by other means of transport, and
29 when I say "other means of transport", I mean bigger
30



1 boats, also the railway, trucks. Can you tell us
2 to what degree the services rendered by the members
3 of your Association are typical, are not rendered by
4 others?

5 A. Naturally, in the North, they may ser-
6 vice localities where truck-transport would be im-
7 possible. Obviously, in the Gaspé ports as you go
8 farther up, there is already competition from truck-
9 ing, the railway and the other means of transport.

10 Q. Could bigger ships provide this trans-
11 port?

12 A. There are certain obvious difficulties
13 for bigger ships, in the fact, for example, that
14 certain docks on the river are dry at low tide; big
15 ships could not call there then, or even when taking
16 on a cargo, the ship is obviously resting on the
17 sand.

18 Q. To take a concrete example, can Clarke
19 Steamship's ships serve almost any port which is
20 served by the others, or are they too big for that?

21 A. Oh, I think so!

22 Q. Now, can you tell us to what degree
23 the services rendered by the members of your
24 Association are essential to the various regions
25 served? Are there no other means of transport
26 which might be just as efficient and cheap?

27 A. I cannot -- it is obvious that the
28 rates for transport vary with -- quite often vary
29 with each of the owners. They make their contracts,
30



1 that is to say, they themselves draw up their con-
2 tracts with their clients. In certain cases, it may
3 thus be more economical than road transport, or in
4 other cases, if a client hires someone, it must be
5 because it is to his advantage to do so.

6 Q. Do you know to what extent the regions
7 served by the members of your Association receive
8 nearly all their supplies in this way, or are you
9 not in a position to say?

10 A. I believe there must be quite a bit of
11 sharing, except, naturally, for distant regions down
12 the river.

13 Q. It would help if you could get some
14 details on this point, on the means of transport used,
15 to give us an understanding of the duties of the mem-
16 bers of your Association.

17 You mentioned the rates charged by the members
18 of your Association. Could you tell us how these
19 rates are established?

20 A. These rates are established -- Naturally,
21 there is an offer by the client who offers to trans-
22 port, to have transported at a price of ---

23 Q. How is this price "of" fixed?

24 A. So much per ton, or so much per cord,
25 in the case of lumber, as for example, a lumber
26 company which has wood down the river will say: "I
27 am prepared to ship so many cords from such-and-
28 such a port to such-and-such a port, at such-and-
29 such a price".
30



1 Q. Do you mean that it is the client who
2 makes the first offer and not the owner?

3 A. Frequently, it is the client who offers
4 to ship. It is then up to the owner to come to an
5 agreement with him, or refuse the shipment, if the
6 price does not satisfy him.

7 Q. Is there no published scale of rates?

8 A. No. A plan along those lines was con-
9 sidered by the Association, and there were discus-
10 sions with the companies, but that is where the
11 matter stands at present.

12 Q. Does Clarke Steamship not have a scale
13 of rates which is determined in advance?

14 A. Yes, I believe that Clarke Steamship
15 has a rate scale.

16 Q. Now, can you tell us -- you say that
17 the other shipowners do not have a published scale
18 of rates such as Clarke Steamship has?

19 A. No. Well obviously, you may encounter
20 an owner who may say: "I am going to transport wood
21 from such a place to such a place for such-and-such
22 a price". Naturally, there is always the company
23 which has its wood shipped and which offers its
24 price; then they either come to an agreement, or
25 they do not.

26 Q. Can you tell us to what extent there
27 is competition between shipowners who are members
28 of your Association? How much this one and that
29 one engages in price-cutting?
30



1 A. Naturally, in the past, there was a
2 certain amount of competition. Now, as I told you a
3 little while ago, the Association carried out an ex-
4 tensive study on this point, plans were made in this
5 connection which are still being discussed by the
6 members of the Association, to have a rate ---

7 Q. A uniform rate?

8 A. Yes.

9 Q. At the present time, is there competi-
10 tion and variations in price from one to the other?

11 A. Perhaps a slight difference in price.

12 Q. Are you in a position to tell us to
13 what extent, in a case like the one you just men-
14 tioned, where there is a shipping agency which re-
15 ceives a request from a wholesaler for a ship, such
16 agency begs from one shipowner to another to obtain
17 a more advantageous price?

18 A. No, I don't think that the shipping
19 agencies do that. Normally, the companies do not
20 do that, try to cut each other's prices, and obvious-
21 ly, a shipowner whose expenses on his ship are lower,
22 who has relatives on his ship, for instance, could
23 transport a quantity of wood offered by a company
24 at such a price, and from such a port to such a
25 port, and perhaps make as much profit as another
26 whose expenses were perhaps higher. In such a case
27 then, he would refuse.

28 Q. Is that the correct name, shipping
29 agency?
30



1 A. There are several of them; there is
2 one at Montreal.

3 Q. Shipping agency is not the name then?

4 A. Naturally, these are business people.

5 Q. Is that the name of the company,
6 "Quebec Shipping Agency"?

7 A. Yes, Quebec Shipping Agency. I men-
8 tioned that name as an example.

9 Q. Now, when this shipping agency receives
10 a request from a wholesaler for space for transport
11 by ship, is it the wholesaler who offers a price
12 for such transport, or is it not the shipowner who
13 says: "The price for transporting such merchandise
14 will be so much"?

15 A. It may be that for parts of the ship,
16 the shipowner sets the amount, but when the entire
17 ship is hired, naturally, it is frequently the com-
18 pany which sets the price.

19 Q. Do you know whether the prices
20 charged by the members of the Association, aside
21 from Clarke Steamship, are generally about the same
22 as those charged by Clarke Steamship, or are they
23 lower in general?

24 A. I cannot give you this information.
25 Obviously, they do not have, they do not follow
26 the same course, that is to say, they meet on the
27 same river, but not the same course, not the same
28 ports, and sometimes there are ports where Clarke
29 Steamship does not call.
30



1 Q. A while back I asked you whether the
2 members of your Association were licenced under sec-
3 tion 10 of the Transport Act, and you replied that
4 you thought they were, however, this is subject to
5 confirmation on your part.

6 And now, since we are on the subject of rates,
7 you are aware that by virtue of section 14 of this
8 same Transport Act, all those who hold a licence
9 must provide the Transport Commission with a list
10 of their rates and schedules. It is for this rea-
11 son then, that I wonder whether or not your Associa-
12 tion's members would have schedules and rates deter-
13 mined in advance.

14 A. Perhaps they set their rates individu-
15 ally, but I cannot tell you in fact that, insofar
16 as the Government is concerned, they have fixed rates.

17 Q. No, it would obviously be on an indivi-
18 dual basis. Then, when you are furnishing explana-
19 tions to the Commission concerning the members of
20 your Association, to wit that they hold a licence
21 under section 10 of the Transport Act, can you
22 also tell us whether they furnish the lists of
23 rates provided for in section 14 of that same Trans-
24 port Act to the Transport Commission?

25 Now, you stated that the ships, let us say
26 rather that the members of your Association are,
27 in the majority, individuals who operate their own
28 ships. Would I give a good description of the situ-
29 ation if I said that in most cases these are family
30



1 enterprises?

2 A. In several cases.

3 Q. In the sense that the head of the
4 family operates the business, and, at a given moment,
5 when the boys are old enough, he gets a bit of assis-
6 tance from them?

7 A. In several cases, that is what happens.

8 Q. Can you tell us how that might affect
9 the cost of operating these ships, in the sense that
10 the shipowner would not have to employ a large num-
11 ber of outside personnel?

12 A. Well, this would naturally depend on
13 the salaries which they paid themselves; it depends,
14 for example, on the salary which the father pays to
15 his son; or perhaps several of them have formed a
16 company, and it depends on the salary he draws as
17 Captain of the ship.

18 Q. For all practical purposes, it is
19 their own profits which they pay themselves as
20 salary, perhaps not from a general standpoint?

21 A. Their own salaries do not become a
22 fixed expenditure to be met.

23 Q. Can you tell us the number of person-
24 nel required on the majority of these ships, in-
25 cluding the Captain?

26 A. There are from four (4) to twelve
27 (12) or thirteen (13).

28 Q. Can you tell us if there have been
29 any developments, within the last five years, say,
30



1 with a view to obtaining greater efficiency from
2 these ships, corresponding to a reduction in opera-
3 ting costs?

4 A. Developments?

5 Q. For example, a change in construction
6 from wood to steel, or again, obtaining higher
7 speeds?

8 A. Obviously, the present tendency among
9 shipowners is to own vessels built of steel. As I
10 said a little while ago, they can carry bigger car-
11 goes, they are larger vessels, and can navigate
12 later in the year and get an earlier start.

13 Q. Is there a tendency to replace some of
14 these ships by more efficient ones, or is the ten-
15 dency rather to use these ships until they come
16 apart at the seams, as the popular saying goes?

17 A. No, the shipowner is always seeking
18 to improve his situation, when his finances permit
19 him to do so; he is always endeavouring to buy a
20 bigger vessel.

21 Q. I understand his seeking to improve
22 his situation, but as you say, the question of
23 finances is involved. I wonder up to what point
24 the owners find it economical to replace their
25 ships, or to what point they consider keeping an
26 old ship?

27 A. They consider that it is more profit-
28 able for them, and obviously they do not always
29 have the financial means to do so, but if their
30



1 situation enables them to do so, they always try to
2 purchase a bigger ship.

3 Q. When you furnish the list of ships,
4 could you mention the age of each ship?

5 A. Yes.

6 Q. Now, could you provide us with cer-
7 tain statistics on the difference in purchase price
8 of a ship today, as compared to the cost ten (10)
9 or twenty (20) years ago, for an owner?

10 A. I could provide you with those statis-
11 tics.

12 Q. The difference in cost price?

13 A. Yes.

14 Q. And also tell us, at the same time, in
15 exactly what way a ship which is built today gives
16 more efficient service than a ship which was built
17 ten (10) or twenty (20) years ago.

18 You also told us about steel, which enables
19 the shipowners to operate later in the Fall and
20 earlier in the Spring. Is there also a question
21 of speed involved?

22 A. Certainly, the question of the en-
23 gine, the size of the engine.

24 Q. Then it would be interesting to know
25 to what extent the speed reached today by the new
26 ships is greater than that of former days; is it
27 twice as great, or fifty (50) percent, or perhaps
28 you might give us an idea of the power?

29 A. You will also notice that present-day
30



1 owners tend to equip their ships with radar; they
2 have ship-to-shore telephones, do they not?

3 Q. Isn't the purpose of this equipment
4 merely to increase safety, or does it allow for more
5 efficient service, as well?

6 A. It allows for greater speed of trans-
7 port, because of the radar equipment, and in addi-
8 tion to that, the ship-to-shore telephone naturally
9 makes it easier to take on a cargo in a locality
10 where there is a load which might be carried by one
11 of these ships. Obviously, it is possible to com-
12 municate; a merchant who wants to ship can get in
13 touch with the Captain; then, if he is in the area,
14 he can call and take on the cargo.

15 Q. In what way does radar give greater
16 efficiency? I understand that it affords greater
17 protection?

18 A. Obviously, when it is foggy, for in-
19 stance, or when the temperature is less favourable,
20 they may perhaps proceed a little faster just the
21 same than they previously did, due to the greater
22 protection of radar.

23 Q. Now, as concerns the loading and un-
24 loading of these ships, is there any modern equip-
25 ment, or is any advantage taken of technical pro-
26 gress?

27 A. Yes.

28 Q. Or is everything done by hand?

29 A. No, most of them have the necessary
30



1 equipment to take the merchandise out of the holds
2 and place it on the docks.

3 Q. Is this equipment more often part of
4 the ship, or of the dock?

5 A. In several cases, it is on the ship.

6 Q. Is this a recent development, or does
7 it go back for quite a few years? Another way of
8 putting the same question would be: "Do the majority
9 of the ships possess such equipment, or merely a
10 certain number"?

11 A. The majority.

12 Q. The majority of them have it?

13 A. Yes.

14 Q. Do you know if there is a tendency to
15 perfect such equipment? Do you know whether that
16 equipment is more efficient than the equipment used
17 ten (10) years ago, or are you not in a position
18 to say?

19 A. As I told you a while ago, any im-
20 provement which they can make ---

21 Q. I understand, but from the practical
22 standpoint?

23 A. From the practical standpoint, I
24 could naturally provide you with the information
25 that improvements have been made along those lines
26 in recent years.

27 Q. As concerns the salary paid to the
28 members of the crew, I presume that I can designate
29 the personnel, aside from the Captain and owner, in
30



1 this way; it has been suggested to the Commission
2 by the Labour Unions, I do not recall in what section
3 of the country, that minimum wages be set by Federal
4 legislation. Do you have any opinion to express on
5 such a recommendation?

6 A. Did this Labour Union give any idea as
7 to the minimum wages which it wished to have set,
8 a notion of the salary?

9 Q. No, and as a question of fact, to give
10 you a slight explanation of the circumstances in
11 which this suggestion was made, certain Unions com-
12 plained that ships operated by a large company, for
13 example, I do not know whether it was Canadian
14 National, but it was a company of that size in any
15 event, claimed that they were unable to pay the
16 salaries asked for by the Labour Unions, because of
17 the competition of small ships paying lower salaries,
18 which were therefore able to transport merchandise
19 cheaper than their ships could do.
20

21 One of the Union's recommendations was that
22 all the personnel of such ships be governed, from
23 the standpoint of salary, by a Federal law.

24 A. I would prefer -- I shall consult
25 the members of our Association on this matter.

26 Q. It is permissible to wonder what
27 would be the nature of the objections which you
28 might offer. I understand that an individual al-
29 ways has to pay as low a salary as possible in
30 order to bear the competition, but do your people



1 have any special objections on this matter?

2 A. Before answering, I would prefer to
3 consult the Board of Directors. To give you an idea
4 of the salary, I believe that a sailor is paid about
5 one hundred and thirty (130) dollars a month.

6 Q. Can you tell us a bit about the com-
7 petition of the British ships which operate in Canada,
8 to what extent this competition from British ships
9 engaged in coastal shipping in Canada affects your
10 clients or the members of your Association at the
11 present time?

12 A. Obviously, if we consider the economic
13 aspect here, those people can have their boats re-
14 paired more cheaply, they can pay lower salaries.
15 As a result, to take an example, there is ---

16 Q. I understand that, but that is all
17 theoretical. However, from a practical standpoint,
18 is there any unfavourable competition on the part
19 of these people?

20 MR. MARCEL BELANGER: Perhaps he could give
21 us some concrete examples?

22 A. In illustration, I could quote the
23 example of the Nova Scotia coal which is trans-
24 ported to Montreal by British ships, something that
25 several of our coastal shippers could do. Havre
26 Saint-Pierre, the ore which goes to the Great Lakes,
27 the ore which is extracted, and then, from the
28 Great Lakes to Sept Iles, for example, there is a
29 Greek company operating at present, Diane Shipping
30



1 Company, whose vessels transport ---

2 MR. GERIN-LAJOIE: Q. Now, can you explain
3 to the Commission certain cases where your clients
4 were in direct competition with companies like
5 those over a question of obtaining shipping contracts?

6 A. There is certainly the Forestville
7 Hydro case.

8 Q. How did this case occur?

9 A. I will be able to give you this infor-
10 mation. Naturally, a brief was presented on this
11 matter, as it was a striking case, where our coastal
12 shippers lost the contract, just because of the
13 competition.

14 Q. Was it really a question of shipping
15 rates?

16 A. I believe so, but I shall give you
17 further information on this matter.

18 Q. Do your clients transport, to take
19 the example you gave, a large part of the Nova Scotia
20 coal to the middle Saint Lawrence, towards the
21 Great Lakes?

22 A. No, I believe -- I cannot tell you
23 exactly what proportion they might transport,
24 but I believe that it is a very modest portion, es-
25 pecially on account of that competition.

26 Q. You are not able to tell us whether
27 your clients asked to obtain the shipping contract
28 in such cases?

29 A. I could quote you examples, I shall
30



1 be able to quote them, because I still have more.

2 Obviously, however, concrete examples ---

3 Q. An example which was given to the Com-
4 mission in another field, concerns a maritime trans-
5 port company which had negotiated to obtain a con-
6 trade to transport potatoes from Prince Edward
7 Island, if my memory serves me correctly, and I am
8 giving you this with all reservations -- and the
9 railways ended up by getting the contract; there,
10 in fact, there was an intervention by one party,
11 intervention at a lower price, and the railways
12 finally obtained the contract.

13 I would like to know if a similar situation
14 did not occur in your clients' case, whether certain
15 of your clients asked or wished to contract for such
16 or such transport of merchandise, say coal or some-
17 thing else, and then on that occasion a British
18 company obtained the contract because of lower opera-
19 ting costs?

20 A. I could give you some explanations.
21 Naturally, I would have liked the President to be
22 here, but they are at sea at present, and he is
23 unable to appear.

24 Q. You will understand that your Assoc-
25 iation is one of the only ones to expose the view-
26 point of the small shipowners before the Commission,
27 whereas everywhere else, the Commission has heard
28 and will hear a goodly number of representations
29 on behalf of the large transport companies. That
30



1 is why I am asking you a great many questions, and
2 why it would have been helpful to have some of your
3 clients here.

4 A. It cannot be helped; they are at sea.

5 Q. As a point of fact, you will be
6 allowed to present your clients before the Commission
7 at Montreal, or elsewhere, if you think it advisable,
8 naturally. The interests of your clients are con-
9 cerned just as much as the public interest.

10 A few minutes ago, in your report, of which
11 I would like to ask you for some explanations --
12 first, to continue with the questions I was asking
13 you.

14 On page 1 of your report, in the volume which
15 was printed by the Commission, you state that there
16 has been a rather large expansion, since the last
17 war, I believe, of maritime transport by the small
18 coastal shippers, as they are called. Would you
19 care to explain this development to us? What is
20 the nature of it, and what is the reason for it?

21 A. It is probably the natural resources
22 in the North of the Province which are providing,
23 and may provide quite a considerable amount of
24 work for the coastal shippers.

25 Q. Is it iron ore you have in mind in
26 particular, or is there something else?

27 A. Iron ore, and the development of the
28 North.

29 Q. I wonder to what extent this ore
30



1 and these natural resources in general, are shipped
2 in small ships, rather than in ships as large as
3 those which can go through the canals to go to the
4 Great Lakes? To what extent is this transportation
5 carried out by small ships?

6 A. I believe that if the transport is not
7 done to a greater extent by small ships, it is just
8 one example. I think I shall be able to quote you
9 concrete examples.

10 Q. You say that there has been an expan-
11 sion since the war. You might perhaps give us some
12 details about the nature of this expansion and the
13 reasons for it?

14 A. Yes.

15 Q. In short, it is quite important for
16 the Commission to know to what degree the business
17 done by the small coastal ships is expanding or
18 falling off at the present time.

19 A. I shall certainly furnish the infor-
20 mation, with details.

21 Q. Now, turning to page 3 of the report
22 in the printed volume, you tell us that "The words
23 'Foreign Country' mean any country other than
24 Canada whether such other country is within the
25 British Commonwealth of Nations or not", and then
26 I presume that you quoted a judgment of the Ex-
27 chequer Court?

28 A. Yes.

29 Q. To your knowledge, have any repre-
30



1 sentations been made to the Canadian Government or
2 to certain Departments of the Canadian Government,
3 for the purpose of having this interpretation ex-
4 tended to cover the case you are considering?

5 A. I cannot tell you that representations
6 have been made.

7 Q. Is this question being raised here
8 for the first time, officially?

9 A. That may be; I do not know whether any
10 representations have been made in Parliament along
11 those lines.

12 Q. And now, a little farther on, at the
13 foot of page 4, you tell us that "In construing the
14 expression 'FOREIGN COUNTRY' as excluding other
15 Nations of the British Commonwealth, that would be
16 the normal, logical and disastrous result".

17 A. That must be the result which is de-
18 sired.

19 THE CHAIRMAN: What page?

20 MR. GERIN-LAJOIE: At the bottom of page 4,
21 Mr. Chairman.

22 THE CHAIRMAN: I think it is a mistake;
23 it should be "desirable".

24 A. I mean that if the expression "For-
25 eign Country" is considered ---

26 MR. GERIN-LAJOIE: I understand, but ---

27 A. As excluding the vessels built in
28 the other parts of the Commonwealth, we shall
29 have greater protection for coastal shipping.
30



1 Q. Is the word "disastrous" a typographi-
2 cal error in this case?

3 A. I am going to read the part in ques-
4 tion; it may be that it is an error. I wish to say
5 that we submit that the expression "foreign country"
6 should include ---

7 Q. I quite understand, but what I wish to
8 know is whether the word "disastrous" is or is not
9 correct.

10 A. The word "disastrous" should be re-
11 placed by "desirable".

12 Q. On page 5 of the report, you say "At
13 the present time, the situation with regard to
14 Canadian Coasting Trade is not only serious, but
15 really alarming - (the word is not too strong) should
16 the prevailing present situation continue to exist".
17 Could you explain to us in what way the present
18 situation is "alarming" - the term is your own -
19 and how that has been revealed?

20 A. Obviously, it is competition from for-
21 eign ships, and I can naturally give you several
22 examples, which I have said that I was to provide
23 for the Commission. You will see from these ex-
24 amples that the situation is serious.

25 Q. Have there been a considerable number
26 of shipowners who have ceased to operate within
27 the last five (5) or ten (10) years, or has there
28 not been an expansion, as you told us a while ago?

29 A. No, none of them have ceased operating
30



1 for ten (10) years; there are some, as in all busi-
2 nesses, but not at the present time. Up to now, the
3 competition is making its presence felt, the first
4 years of competition are being felt at the present
5 time. Then, we do not know what will happen in the
6 future.

7 Q. I think it would be helpful if you
8 could give us some details on how this competition
9 is revealed.

10 A. Certainly.

11 Q. So that it will not appear to contra-
12 dict the expansion which you mention elsewhere.

13 A. Yes.

14 Q. Now, just a word with respect to your
15 recommendations. Referring to your first recommen-
16 dation, you suggest that coastal shipping be res-
17 tricted to ships which are registered in Canada, and
18 which are operated with Canadian crews. Do you
19 have no suggestions to make concerning the place where
20 the ships are built, to wit, whether ships engaged in
21 coastal shipping should be built in Canada rather
22 than any place else in the Commonwealth or the
23 world?

24 A. The recommendation is for "Canadian
25 registered vessels".

26 Q. You have no comments to make on the
27 proposal that coastal shipping should be restric-
28 ted to ships built in Canada?

29 A. Obviously we are referring to ships
30



1 built in Canada in particular.

2 Q. Because, if I understand correctly,
3 you do not mention it in your suggestions.

4 A. Naturally, at the present time, coastal
5 shippers use ships built in Canada. Then, if the
6 trade is restricted to Canadian owners, they will
7 continue to use vessels built in Canada.

8 Q. Do your clients consider that if they
9 could be brought here, ships which were built in
10 Great Britain might be operated at a lower cost
11 than your clients' ships, and therefore offer a com-
12 petition which would be difficult to stand, or have
13 your clients not considered that point?

14 A. Ships built in Great Britain and regis-
15 tered in Canada?

16 Q. Yes.

17 A. By a Canadian citizen?

18 Q. Yes, that is the theory that I am put-
19 ting before you.

20 A. Yes, I believe that I -- naturally,
21 the majority, all the coastal shippers do not go and
22 get their ships, have no thought of going and get-
23 ting their ships in Great Britain or elsewhere.

24 Q. I understand that, but isn't there a
25 possibility of competition from such ships built in
26 Great Britain?

27 A. Obviously.

28 Q. Are you concerned about it, or not
29 at all?
30



1 A. It would obviously be preferable that
2 the ships be built in Canada.

3 Q. Has this question not been studied by
4 your Association?

5 A. In our first suggestion, we recommend
6 that the ships be built in Canada.

7 Q. A little later, if I refer to page 11
8 of your report, you say, "In our opinion, the most
9 efficient protection would be the denunciation of
10 the British Commonwealth Merchant Marine Agreement
11 together with an appropriate legislation to protect
12 the most vital interest of our Canadian Coasting
13 Trade". I wonder what you have in mind when you use
14 the expression "appropriate legislation to protect
15 the most vital interests of our Canadian Coasting
16 Trade"?

17 A. On what page?

18 Q. At the end of paragraph 7.

19 A. "Appropriate legislation" ---

20 Q. Yes, what do you have in mind?

21 A. Obviously, we are thinking of the
22 amendments which might be made to regulate coastal
23 shipping in Canada. Without even denouncing the
24 British Commonwealth Merchant Marine Agreement,
25 Canada can make recommendations, regulations. We
26 therefore contend that appropriate regulations
27 should be made.

28 Q. You do not know what sort of regula-
29 tions?
30



A. That is in our second, on page 18, in particular, examinations to be passed by other officers, and the obligation to own property in Canada in order to operate a Canadian ship.

Q. That is what you mention in the preceding pages, but there is no other point in particular?

A. Yes.

MR. GERIN-LAJOIE: That is all, thank you.

---AND THE WITNESS DID NOT SAY ANYTHING FURTHER.



1 MR. GERIN-LAJOIE: Mr. Chairman, the next
2 group to appear before the Commission is the
3 Rimouski Naval School.
4

5 REPRESENTATIONS OF THE RIMOUSKI NAVAL SCHOOL
6

7 CAPTAIN JACQUES GENDRON, Commanding Officer
8 of the Rimouski Naval school:

9 Mr. Chairman, distinguished members of the
10 Commission: We wish to thank you for the opportunity
11 which has been given to us, this morning, to express
12 our views before you, and we ask your indulgence with
13 respect to the delivery of this statement.

14 To avoid adding to your heavy burdens, we
15 shall present this account in English, and hand a
16 French copy to the secretary of the Commission.

17 We remain at your complete disposal should
18 you wish to ask any questions either in French or
19 in English, on other matters which might interest
20 the Commission.
21
22
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1 (English translation from French - Three Rivers, Que.,
2 September 29, 1955)

3
4 THE CHAIRMAN: Sittings in Three Rivers of
5 the Royal Commission on Coasting Trade. Will Mr.
6 Belanger open the proceedings, please?

7 MR. MARCEL BELANGER: This is a hearing of
8 the Royal Commission on Coasting Trade, and I believe
9 that Mr. Mayor has something to tell us.

10 MR. LAURENT PARADIS, Mayor of Three Rivers:
11 Honourable Chairman of the Royal Commission
12 on Coasting Trade and members of the Commission, I
13 ask your permission to hear our industrial commis-
14 sioner, Mr. Ouellet, who will give you our report.

15 MR. GERIN-LAJOIE: Mr. Chairman, to follow
16 the usual procedure, I believe it would be in order
17 that the persons who have the intention of making
18 representations before the Commission identify them-
19 selves. We already have two from the City of
20 Three Rivers which is appearing through its mayor
21 and its industrial commissioner. Will the other
22 persons who have the intention of addressing the
23 Commission identify themselves.

24 MR. CLAUDE BISSON: Mr. Chairman, I am
25 Claude Bisson and I am appearing on behalf of the
26 Junior Chamber of Commerce of Three Rivers, and
27 with your kind permission, I will have a few recom-
28 mendations to submit to the Commission with respect
29 to the brief of the Corporation of the City of
30



1 Three Rivers.

2 MR. GERIN-LAJOIE: Any other person or group
3 wishing to appear, in Three Rivers, before the Com-
4 mission?

5 Mr. Chairman, I think we will proceed with the
6 brief of the City of Three Rivers.

7 MR. MARCEL OUELLET: Mr. Chairman, members
8 of the Commission: In the name of the City of
9 Three Rivers, I would like to present to you the
10 views we have expressed in writing during the month
11 of June.

12 Before commenting on the report, I would ask
13 you to note two errors which were made in the French
14 copy of the report. On page 3, last paragraph, we
15 read: "A financial analysis of the financial state-
16 ments published by The National Harbours Board shows
17 that only the port of Three Rivers of all the ports
18 of the Atlantic and of the Saint-Maurice", this
19 should read: "...of the St. Lawrence" instead of
20 "Saint-Maurice".

21 On page 5, first paragraph, we find: "...They
22 are constituted by six groups of commodities". This
23 should read "five groups of commodities".

24 Mr. Chairman, the Royal Commission which
25 has been constituted by reason of an Order in Coun-
26 cil of the Privy Council Committee has responsi-
27 bilities which are well established. Before begin-
28 ning with my report, I would like to say that we,
29 of the City of Three Rivers, understand that these
30



1 responsibilities are not merely limited to legisla-
2 tion on coasting trade but to everything is indirect-
3 ly related thereto.

4 The port of Three Rivers is administered by
5 the National Harbours Board which is a Crown organiza-
6 tion, that is to say under the control of the Federal
7 Government and that, consequently, it is the duty
8 of the Federal Government to preside or to prepare
9 the ground for the development of this port and to
10 dictate to the National Harbours Board the policy
11 or the line of conduct to be followed.

12 I say therefore that the port of Three Rivers
13 is part, by reason of the importance of its coasting
14 trade, of the responsibilities of your Commission
15 in an indirect way; who says coasting trade also
16 says harbour necessities, interior harbour necessi-
17 ties for the movement of merchandise.

18 We have explained in the memorandum that the
19 port of Three Rivers subsisted from coasting trade
20 to the extent of 90%. In fact, of the total number
21 of ships who visit our harbour, there are 2,600 in
22 average who do some coasting trade each year, since
23 the last few years, and approximately 300 which are
24 sea-going vessels, representing respectively for
25 the coasting trade 2 million tons of merchandise
26 and 300,000 tons for the sea-going vessels.

27 Our harbour subsists especially from domes-
28 tic imports in a proportion of 78% and you see, at
29 page 5 of the memorandum, the groups of commodities
30



1 which are handled in the port of Three Rivers. You
2 have read the memorandum and I would not like to re-
3 peat, so as not to drag the hearing, the groups of
4 commodities which are shown therein and which form
5 part of the coasting trade in our port.

6 On the other hand, the exports practically
7 limit themselves to two commodities, newsprint paper
8 and grain.

9 We have in the region 200 industries. This
10 economic region of Three Rivers includes the cities
11 of Three Rivers, Cap de la Madeleine, Shawinigan
12 Falls, Grand-Mere, La Tuque, Louiseville and the
13 other small centres which are in the neighbourhood of
14 these towns. Mathematically, the average, according
15 to the official government statistics, for the total
16 production of these towns, is approximately 400
17 million.

18 Paper alone constitutes only 8% of the value
19 of the production, 8% I mean of the exports by means
20 of our port. As almost the greater part, almost
21 100% of all the production is sold outside of the
22 country, you understand that the rest is shipped by
23 rail or by truck. Without doubt the St. Lawrence
24 River Project will result in an increase in the
25 volume of exports by ship from Three Rivers to the
26 United States, particularly, which exports, pre-
27 viously, especially in the United States, were
28 shipped always by rail and a small part by truck.

29 The Honourable Mr. Lionel Chevrier, in certain
30



1 speeches which he made, has estimated at between 30
2 and 35 million tons the movement of products which
3 will be affected as soon as the St. Lawrence Seaway
4 shall be opened up to the Great Lakes. About that,
5 Mr. Chairman and members of the Commission, we have
6 no doubt. We are led to believe that the volume
7 will even be greater, because the movement which
8 will take place in the industrial part of Canada,
9 of the Great Lakes and of the United States will
10 result, on the American side, in reducing transpor-
11 tation by approximately 500 miles. There is a sub-
12 stantial saving.

13 We submit that the port of Three Rivers in
14 order to face the enormous increase in traffic which
15 the St. Lawrence Seaway will bring about, cannot
16 supply the demand, because, actually, even with 10
17 million tons, our harbour is not adequate any more.
18 We ask that the Commission recommend to the Depart-
19 ment of Transport or to the competent Government
20 authorities that the port of Three Rivers which
21 comprises, as is explained in the memorandum, a limit,
22 that is to say an area of approximately 10.7 miles
23 from Lottenville Point to Pointe-du-Lac, be develop-
24 ed in order to face the situation.

25 We ask consequently that the port be exten-
26 ded immediately by a length of at least 4000 feet
27 and that warehouses to be used for storing products
28 be built for that purpose.

29 This morning, you have realized that a part
30



1 of the port of Three Rivers, near the crossing at
2 Three Rivers, was absolutely inappropriate, abso-
3 lutely useless, and, consequently, a loss for the
4 City of Three Rivers and the industries, and a loss
5 equally for the National Harbours Board. The only
6 thing required would be merely to rebuild that part
7 which we call the fish market or the mercantile docks,
8 give it a more modern appearance, so that the ships
9 may dock and use them.

10 We ask also that the National Harbours Board
11 move the St. Lawrence coal yards at its own cost.
12 It would be absolutely unreasonable to ask the St.
13 Lawrence coal yards to assume these moving expendi-
14 tures. I think the National Harbours Board should
15 assume all the cost, in the best interest of the City
16 of Three Rivers. We have noticed - the statistics
17 establish it and the newspapermen have also noted it
18 several times in reports - that coal is a nuisance
19 because it is a source of filth for the stores and
20 for those who live in the neighbourhood of the har-
21 bour. Thus, we submit that the coal yards should
22 be moved to the west, for better service.

23 You have noted this morning, during your
24 visit to the harbour, that we have one of the nicest
25 harbours of Canada. In fact, according to the sta-
26 tistics compiled by the Harbours Board, the port
27 of Three Rivers ranks fifth among the Canadian
28 ports, and second in importance, coming immediately
29 behind that of Montreal and before that of Quebec
30



1 and Sorel.

2 The City of Quebec, the port of Quebec has in
3 its employ an engineer who handles the preparation
4 of the plans and who sees to the maintenance of the
5 port. We feel that it would be time for the Nation-
6 al Harbours Board to have in its employ, with his
7 residence in Three Rivers, an engineer who would
8 handle the harbour necessities, so that we do not
9 always have to turn to Ottawa or come to Ottawa to
10 explain our case.

11 We have also pointed out that of the 200 in-
12 dustries which are productive in our region, there
13 is only 8% of the paper, for example, which is ship-
14 ped by boat, the other industries, chemical, metal,
15 etc., hardly use the harbour at all. Why? Because
16 they do not realize its advantages. We do not want
17 to criticize the administration of the National Har-
18 bours Board, we consider that it is a desirable
19 organism, but we do not want either, in the inter-
20 est of the municipality and of the region, that the
21 other ports benefit from the production of the
22 region, to the service of another port, because it
23 is normal, when a National Harbours Board which
24 builds a series of ports, has a transportation pro-
25 blem, it says merely "we have space in Montreal, in
26 Quebec", and the Board derives a revenue from it
27 in any event. Here, we are deprived of that rev-
28 enue, and so also are our stevedores.

29 We have also requested the establishment
30



1 of a free port on the St. Lawrence River. We do not
2 want to say that Three Rivers should alone have a
3 free port. We want the Government to study the ad-
4 vantages and the disadvantages of such a free port.
5 For example, we know, from what is said, that the
6 port of New York owes its development to the estab-
7 lishment of a free port. We see, we consider rather,
8 that that would help establish new industries, be-
9 cause of the considerable traffic of merchandise
10 which takes place throughout the world. I would not
11 like to discuss to any greater length the advantages
12 and disadvantages of such a proposition. I merely
13 wish to draw the Commission's attention on this
14 matter, so that it may suggest to the competent
15 authorities the study of this important question.

16 Insofar as the legislation on coasting trade
17 is concerned, there is so much controversy, there
18 are so many difficulties to consider, so many res-
19 ponsibilities to establish, that we ask ourselves
20 if it would not be wise at present, to keep for a
21 few years, for example for two or three years, free
22 transportation for the ships flying the British
23 flag, on one condition; that only the ships already
24 in existence and which are registered as such with
25 the Canadian Government have that right until
26 such a year, let us say 1957 or 1958. After that
27 date, the Government will be in a position to apply
28 a new law limiting the building of ships in other
29 countries, in that sense that all the ships which
30



1 would do coasting trade in Canada should be built in
2 Canada, and should also have in their employ a crew
3 answering to the demands or requirements of those
4 Canadians engaged in the coasting trade, and pay
5 them a somewhat similar salary.

6 In conclusion, we have told you that the port
7 of Three Rivers was one of those which offered some
8 of the most important economic advantages along the
9 St. Lawrence River. If we really want to profit by
10 the St. Lawrence Seaway, if we really want that the
11 industries which require industrial sites along the
12 Seaway establish themselves at home, we urgently
13 require that the National Harbours Board builds docks
14 to answer the need.

15 We know that the St. Lawrence Seaway is based
16 on probabilities. We have stated for example that
17 we would handle 40,000 to 45,000 tons of goods more
18 per year, those are probabilities. We, here, we
19 represent, we pretend that we have an urgent need of
20 extending the port which is called the port of Three
21 Rivers, not only Three Rivers, but at Cap de la
22 Madeleine. In the memorandum, we cite the case of
23 two industries which had to establish themselves
24 elsewhere and others who are presently awaiting
25 our furnishing them harbour facilities to establish
26 themselves. Why? Because we have here, in great
27 quantity, electricity, permitting the establish-
28 ment of basic industries such as refractors or
29 still various metal refineries, and to bring these
30



1 raw materials or ship them somewhere else, necessar-
2 ily those industries must establish themselves along
3 the St. Lawrence.

4 We have also pointed out that the port of
5 Three Rivers was not sufficiently known. We want
6 promotion to be made, and perhaps we would go to
7 the extreme of saying that the National Harbours
8 Board should have a Three Rivers Harbour local com-
9 mittee, in order to handle this promotion, and we
10 insist that the port be still under the control of
11 the National Harbours Board.

12
13 3038

14 MR. GERIN-LAJOIE: Mr. Chairman, the origi-
15 nal brief submitted by the City of Three Rivers,
16 as produced in the hands of the Commission, included
17 certain charts which do not appear to have been
18 reproduced in the volume of the memorandums published
19 by the Commission. Moreover, the City of Three
20 Rivers produces today an additional chart number 4.
21 Thus, I would respectfully suggest that all the
22 charts from 1 to 4 inclusively be produced as docu-
23 ment 75, in support of the brief of the City of
24 Three Rivers.

25 And now, Mr. Ouellet, I will ask you certain
26 questions to clarify certain statements contained
27 in the brief of the City of Three Rivers, or to
28 ask you to justify somewhat the advantage of cer-
29 tain of your conclusions.
30



1 Q. In the first place, you speak of the
2 industrial activities of the Three Rivers harbour.
3 On reading chart Number 3, I note that the merchan-
4 dise received at the Three Rivers harbour is in great
5 majority that which comes from the coasting trade,
6 as opposed to that which comes from sea-going vessels.
7 For example, in 1953 you received more than two
8 million tons of merchandise coming from the coasting
9 trade, while there were only 264,000 tons coming from
10 sea-going vessels. On the other hand, when con-
11 sidering exports, the situation is altogether re-
12 versed. Are you in a position to tell us whether
13 that means that the sea-going vessels who come here
14 to get merchandise for export purposes arrive empty
15 or partially empty?

16 A. The majority -- you are speaking of ex-
17 ports, are you not?

18 Q. The exports.

19 A. Most of them are sea-going vessels
20 who pick up here paper shipments or still grain ship-
21 ments, who go down, for example, from Montreal and
22 who stop here, while coming back, to supply Europe
23 or other countries.

24 Q. Could you tell us why, particularly,
25 since you are speaking of grain, there are grain
26 elevators in Three Rivers ---

27 A. In 1930, 1928 or 1930, the Three
28 Rivers Harbour was under the administration of a
29 local committee, but under the jurisdiction of the
30



1 Department of Transport. That local committee,
2 seeing that the Three Rivers Harbour was not devel-
3 oped enough and that as a result the St. Lawrence
4 Seaway from Three Rivers to Montreal we were losing
5 all the traffic we had here, something had to be
6 done. Thus, they undertook negotiations with busi-
7 nessmen and succeeded in convincing them to estab-
8 lish here, for the return trip, a grain elevator of
9 a capacity of three million bushels. I can tell
10 you that all the improvements which have been done
11 to the Three Rivers harbour have been great achieve-
12 ments, because since the National Harbours Board
13 has assumed the direction of the harbour, in 1936,
14 less than \$600,000 has been expended in capital ex-
15 penditures on the harbour, while under the local
16 administration, we expended a bit more than five
17 million. There are expenses, projects, evidently,
18 which were continued while the National Harbours
19 Board took over the administration, but that had
20 been begun before.

21 Q. In order to stick to the example of
22 grain, in order to understand the situation well,
23 you tell me that the sea-going vessels pick up part
24 of the grain in Montreal and come here to complete
25 their cargo. Do you know the reason why this
26 grain has been stored in Three Rivers rather than
27 in Montreal, when the ships make this trip while
28 they are partially empty from Montreal to here?

29 A. It very often happens that the sea-
30



1 going vessels in Montreal cannot load up fast enough;
2 that is one of the main reasons. Thus the grain
3 is brought here. Instead of losing five or six
4 days while waiting in Montreal, they load here, to
5 go back.

6 Q. Am I well informed when I say that
7 grain elevators are the responsibility of private
8 enterprise and not of the national harbours?

9 A. That is correct.

10 Q. Now, coming to your recommendations,
11 at this moment do you believe that the development
12 of the Three Rivers harbour must exclusively depend
13 on the State and particularly on the National Har-
14 bours Board, without private enterprise having any-
15 thing to do with it?

16 A. I believe that private enterprise has
17 done an enormous number of things, but since the
18 Three Rivers harbour already has considerable accumu-
19 lated surpluses, and in spite of the fact that the
20 accumulated surpluses were cut, constituted for
21 example of the surplus and of the reserve to re-
22 place a surplus which was cut in 1952, which exceed-
23 ed two million, by cutting the value of the land
24 by almost \$200,000 and by reducing it to \$60,000,
25 we consider that these surpluses - and in any
26 event that is the law of the national harbours,
27 that is a formal law at least that they should be
28 replaced - we consider that that money, which is
29 already there, must be spent in our harbour,
30



1 because it is the one which earned it.

2 Q. You speak of the development, for the
3 future, in the Three Rivers harbour. Do you think
4 that the development of the Three Rivers harbour
5 should be done without knowing exactly what the
6 requirements of water transportation will be?

7 A. We suggest that the National Harbours
8 Board, in conjunction with the development of the
9 Seaway, should prepare an overall plan, or a local
10 committee, in order to predict the effects of the
11 Seaway, because as in anything, if we do not organ-
12 ize ourselves, we do not accomplish anything. We
13 know that possibilities exist, a demand, but we do
14 not want the harbour to be developed in an abnormal
15 way. We ask that an overall plan be established,
16 in order to foresee the effects and then the impor-
17 tance of the industry which will establish itself
18 in the region.

19 Q. Speaking of the establishment of in-
20 dustry, do you think that it is the development of
21 the harbour which should provoke or draw industry,
22 without knowing if it will happen, or if it is not
23 usually the reverse in each economic region?

24 A. Perhaps it is the reverse. First,
25 you have the well known example which is based on
26 probabilities. We did not wait to know exactly
27 if Mr. so-and-so who manufactured, for example,
28 in Toledo or elsewhere would do business with his
29 own facilities: we said, "Mr., we will build the
30



1 facilities, then you will use them".

2 Q. Is that not part of the requirements
3 of wheat transportation from Fort William to Three
4 Rivers? Then, there is justification, an economic
5 necessity.

6 A. That is part of the necessities.

7 Q. I ask you, it is in order to help you
8 to state your case further, do you think that the
9 development of industry should precede the develop-
10 ment of the harbour?

11 A. I will give you a concrete example.
12 I am in relation with two industries of basic mater-
13 ials. We went to Ottawa, in order to know if the
14 Commission would build a harbour. We were told "we
15 have room in Quebec, we have some in Montreal", but
16 we, we answer, "We want the industry here, we can
17 finance it, because you have a surplus. We want
18 our young people to remain here to find employment".
19 This is like the man who would build a house and
20 a contractor who would build hundreds of them, even
21 a thousand homes, they are not sold ---

22 Q. Are you sure?

23 A. Most of the time, he builds them,
24 the demand exists, but he has created the demand.
25 It is the same thing in our case. We say, "Give
26 us the facilities, we will get the industries, be-
27 cause we have the power, we have the communica-
28 tions".

29 Q. Electric power?
30



1 A. Yes, and we have some, besides that!

2 Q. May I ask you to clarify a sentence
3 which I find in page 8 of the volume published by
4 the Board? You speak of the traffic between Three
5 Rivers and the American ports, Buffalo, Cleveland,
6 Toledo, etc., and you say: "If the restrictions on
7 the coasting trade are lifted, allowing the sea-
8 going vessels to do the domestic business between
9 Canada and the United States, it is most probable
10 that the ports of the St. Lawrence, save perhaps
11 Montreal, will lose a great part of their present
12 traffic". First, I ask myself there, if there
13 would not be confusion here between the coasting
14 trade and international commerce, because when we
15 face water transportation from Montreal or from
16 Three Rivers toward the American ports of the Great
17 Lakes, I think this is a matter of international
18 commerce?

19 A. Yes, I think so.

20 Q. In any event, could not that commerce,
21 at the present time, be undertaken by any foreign
22 vessel, even non-British, like international com-
23 merce, even that which comes from Europe?

24 A. You are asking me a question which
25 is somewhat difficult to answer. I am not famil-
26 iar enough with legislation on the coasting trade,
27 maritime commerce, to answer you in a somewhat
28 intelligent fashion. Only we, here, we foresee
29 that the restrictions -- that is what you are
30



1 talking about, is it not?

2 Q. The restrictions to what? That is
3 what I do not understand, because presently there
4 are no restrictions on international commerce. A
5 German ship can come to Three Rivers, load merchan-
6 dise and bring it --

7 A. If for example we gave the right to
8 the sea-going vessels to do coasting trade in every
9 Canadian port, we would certainly not be helping
10 our own navy which does the coasting trade, our
11 domestic commerce, and that would be to the detri-
12 ment, consequently, of the Canadians.

13 Q. Now, to proceed with the questions I
14 was asking you in connection with the role of the
15 national ports and of the Federal Government on the
16 one part, and of private enterprise on the other
17 part. You have mentioned the case of the advisability
18 of moving, according to the City of Three Rivers,
19 of the St. Lawrence coal wharves. Do you think
20 that this should be the responsibility of the Feder-
21 -ization,
22 al Government, of that organ, or do you not think
23 conceivable that it is the responsibility, that the
24 question is within the province of the municipality
25 of Three Rivers, with a view to town-planning, or
26 other reasons of the same type?

27 A. We have established at the beginning
28 that the National Harbours Board was an organiza-
29 tion of the Crown. We have also established that
30 the National Harbours Board assumed the adminis-



1 tration of the harbour. We have also established
2 that it is up to the Federal Government, and conse-
3 quently, to the National Harbours Board, to see to
4 the normal and rational development of the harbour.
5 We do not conceive that the City of Three Rivers
6 should do work on lands which do not belong to it.
7 We make representations here in order to protect
8 our people, our assets and our industry. Then, we
9 conceive and we say that this moving, in the best
10 interest, for the town-planning of the City should
11 be done as soon as possible at the expense of the
12 National Harbours Board who rents to the St. Lawrence
13 coal wharves.

14 Q. I would like to ask you a certain num-
15 ber of questions in connection with the establish-
16 ment of a free port. Can you tell me what advan-
17 tages the City of Three Rivers believes it will
18 secure by such an establishment?

19 A. There are advantages and disadvan-
20 tages. I am not an authority on the matter of estab-
21 lishing it immediately, but if we reckon, if we
22 study a bit what the free ports have done in the
23 other countries, from the standpoint for example
24 of labour, the movement of goods, etc., we consider
25 that that movement of merchandise which will be
26 done must be to the benefit of the Canadians. On
27 this subject, I saw an article for example in The
28 Gazette of the 14th of December last, and here is
29 a group of American industrialists who requested
30



1 that the government of that place establish a free
2 port, and it is said for example that that munici-
3 pality and that country will secure a very great
4 number of advantages, in addition to creating a de-
5 mand with a view to create, for example, jobs, that
6 is to say sources of revenue, that labour will
7 favour the development for a whole region, in an
8 indirect way.

9 Q. Do you not believe that the legisla-
10 tion of other countries can be different from ours,
11 (* in)
12 since our country the Federal Government reimburses
13 99% of the duties which are paid in advance on im-
14 ported products which are used in the manufacture
15 of products which are exported? For all practical
16 purposes, do we not have the same result?

17 A. You may obtain the same result, but
18 there is a distinction: it is when you ask the
19 Federal Government to reimburse the 99%, we must
20 wait at least almost a year before the Government
21 reimburses us, and you understand very well that an
22 industry cannot count on Government finances to
23 manage its interests; it needs money. It is lent
24 to the Government, it is there, but even if you
25 present yourself at the bank to negotiate a loan,
26 that will not count, that is money which is dorm-
27 ant and which should serve rather to the develop-
28 ment of the undertaking.

29 Q. When you say that that will not
30 count, does not that serve as a guarantee for the



1 loan you wish to make at the bank or elsewhere?

2 A. Hardly.

3 Q. Does not the establishment of a free
4 port have the great disadvantage of limiting to a
5 very restricted area the advantages which you give
6 to a free port?

7 A. I think it is worthwhile considering
8 the matter. I do not mean to say that I am in
9 favour. We ask in the memorandum that free ports
10 be established. I think that already the fact of
11 giving sources of income to a population which in-
12 creases, would compensate, I think, for the other
13 disadvantages. You have here the case of Three
14 Rivers. Our young population must expatriate itself
15 somewhere else. Thus we must do something. We
16 think of everything. We think that the free ports
17 could stimulate business, could perhaps also bring
18 about later, once a free port is established, its
19 moving in another zone, that is to say outside the
20 free ports and continue permanently.

21 Q. Do you think that it would be a suf-
22 ficient attraction to have a free port in Three
23 Rivers, if there were others in Montreal, Quebec,
24 in Ontario?

25 A. Industry usually establishes itself
26 there where the economic advantages are the best.
27 Thus an industry which establishes itself at Shel-
28 ter Bay or at Seven Islands, it places itself
29 according to the economic advantages which it can
30



1 draw from it.

2 Q. It is because I am trying to see, and
3 that is why I am asking you explanations, if the
4 establishment of a harbour at Three Rivers, if there
5 were some in other places, if truly that would yield
6 the results you claim?

7 A. I think there are economic advantages
8 which we have, such as motive power and a seaport,
9 which would eliminate a great portion of the compe-
10 tition.

11 MR. GERIN-LAJOIE: I do not have any fur-
12 ther questions for the City of Three Rivers.

13

14

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16

17 MR. GERIN-LAJOIE: For the record, Mr.
18 Claude Bisson appears in the name of the Jeune
19 Commerce des Trois-Rivieres Inc. (The Junior Cham-
20 ber of Commerce of Three Rivers Inc.)

20

21 MR. CLAUDE BISSON: Mr. Chairman, members
22 of the Commission: We have read the interesting
23 brief which the Corporation of the City of Three
24 Rivers submits to you. We congratulate our municipi-
25 pal administrators for it and particularly Mr.
26 Marcel Ouellet, industrial commissioner, who under-
27 took this work.

27

28

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29

30 At this time, I would like to quote a



1 statement, an excerpt from the report of the Commit-
2 tee on Imperial Relations of the Conference of 1926,
3 commonly called the Balfour statement:

4 "These are autonomous communities within the
5 "British Empire, of an equal status, none
6 "being subordinated to the other, under any
7 "aspect of their domestic or foreign affairs,
8 "although they are united by a common alle-
9 "giance to the Crown, and freely associated
10 "as members of the community of British
11 "nations".

12 Such an amendment allowing the coasting trade
13 to Canadian ships only would surely, it seems, re-
14 sult in the creation of a strong Canadian merchant
15 shipping.

16 Those are a few remarks which we respectfully
17 submit to your consideration in support of the
18 memorandum of the Corporation of the City of Three
19 Rivers. We beg you, Mr. Chairman and members of
20 the Commission, to believe in our most complete
21 collaboration.

22 MR. GERIN-LAJOIE: Mr. Chairman, I would
23 like to ask one or two questions of Mr. Bisson,
24 who perhaps will be in a position to clarify them
25 for the Commission.

26 Q. You mentioned a while ago that the
27 constitutional evolution of Canada was consider-
28 able and that perhaps, for that reason, we should
29 face, in Canada, an amendment to our legislation
30



1 concerning shipping and coasting trade. Do you think
2 that the present restrictions are the result of
3 political necessities between Canada and Great
4 Britain, or rather the result of economic necessi-
5 ties?

6 A. Here it is, Mr. Chairman; I do not
7 know if I will speak of the results, but those res-
8 trictions, it seems to me, were created at a time
9 when our country was still in a state of colonialism,
10 and it appears to me that if I approached the econ-
11 omic standpoint, which is in my field, that we have
12 in those restrictions a trace of colonialism which,
13 in other fields of our political life, was estab-
14 lished during the last 35 or 30 years.

15 Q. Do you not think that if we caused
16 the present restriction to disappear, or if rather
17 we imposed a new restriction to the coasting trade,
18 we would increase the cost of transportation in
19 Canada?

20 A. The cost would perhaps be increased,
21 but not by much. A stronger Canadian merchant
22 marine, an increase in our shipyards, I reckon that
23 the result would be felt in all of the economic
24 life of Canada.

25 Q. Would the advantages exceed the dis-
26 advantages which the restriction could create by
27 allowing only Canadian vessels to do some coasting
28 trade in Canada? If you look at the particular
29 case of the industries in the Three Rivers region,
30



1 which depend, to a considerable extent, on the coas-
2 ting trade for the materials which they use in the
3 construction, in the manufacture of various products,
4 do you not fear that an increase, whatever it be,
5 in the cost of transportation, such as the restric-
6 tions which you are proposing, could cause consider-
7 able economic difficulties to those industries?

8 A. Well, here it is, Mr. Chairman. Pre-
9 sently, the industries of the region, the local
10 industries, do not make use of our harbour very
11 much nor of the coasting trade for their operations.
12 Is that due to the fact that our port does not
13 answer their needs, or to the fact that the other
14 means of transportation are more practical or more
15 advantageous, I am regretfully not in a position to
16 state. One thing is certain, it is that our harbour
17 does not answer the needs of industry. Presently
18 it is that we do not enjoy, we do not ship from our
19 port.

20 Q. I speak of a possible amendment to
21 our legislation. According to the charts produced
22 now in the hands of the Commission, the coasting
23 trade is the source of the receipt of merchandise
24 in very appreciable quantities, whether it be wood,
25 coal, petroleum products, all that comes, in a
26 great proportion and according to the memorandum
27 from the coasting trade. Have you looked at the
28 possibility of increasing the cost of these goods,
29 as a result of an increased cost of transportation?
30



1 A. You are speaking of the receipt?

2 Q. Yes.

3 A. Yes; well the receipt, presently, is
4 done in great majority, as the memorandum points out,
5 by the coasting trade and not by the sea-going vessels.
6 Then, I reckon that even if the restrictions were
7 tightened, if we allow only Canadian ships, even if
8 that entails an increase in the cost of transporta-
9 tion, if we only allow Canadian ships to do some
10 coasting trade, I submit that the Three Rivers har-
11 bour could benefit by it and that the Canadian mer-
12 chant marine could also benefit by it.

13 Q. Would not the result be an appreciable
14 increase?

15 MR. MARCEL BELANGER: To answer this question,
16 we would have to know what is the proportion of the
17 arrivals of merchandise in the realm of the coasting
18 trade which is done by Canadian ships or that done
19 by the British ships.

20 Q. Would you have those figures?

21 A. We have the proportion of those Canad-
22 ians engaged in the coasting trade as compared to
23 the British.

24 Q. Let us take wood for now. Does that
25 come in great proportion from the coasting trade?

26 A. Yes, I think that, for wood, those
27 engaged in the coasting trade are Canadians.

28 Q. For wood, that cannot change much.
29 Coal?

30



1 A. Coal, those engaged in the coasting
2 trade are rather foreigners.

3 Q. In British ships?

4 A. Yes.

5 MR. GERIN-LAJOIE: Q. Petroleum products
6 also?

7 A. Yes.

8 MR. MARCEL BELANGER: Petroleum products
9 also?

10 A. Yes.

11 MR. MARCEL BELANGER: Thank you, Mr. Bisson.

12
13
14 3055

15 MR. ANDRE JULIEN (Mayor of Cap de la Madeleine)

16 Mr. Chairman, members of the Commission:

17 First, I wish, in the name of the City of Cap de la
18 Madeleine, to welcome the members of the Commission
19 in our cities of Three Rivers and Cap de la Made-
20 leine.

21 A while ago you have heard reports showing
22 the importance of the water traffic in our two cities,
23 and also the importance of the manufacturing output.
24 The "Year Book" of 1955 shows that the manufactur-
25 ing output of Cap de la Madeleine, in 1952, was of
26 28 million and some hundreds of thousands of dol-
27 lars, whereas in 1953 it had gone up to 37 million,
28 wherefrom we may conclude that in 1955, even
29 though I do not have the official figures, it should
30 be approximately 50 million.



1 Now from the geography of the St. Maurice
2 region, Shawinigan Falls, of which you have an idea,
3 almost all of the manufacturing output comes in-
4 directly to Cap de la Madeleine. We have wharves
5 which are actually of a length of approximately 350
6 to 375 feet. The photographs which I submitted to
7 you this morning show the deplorable condition of
8 these wharves.

9 We have noticed - in spite of the fact that
10 comparisons are always painful - that the wharves of
11 villages such as Batiscan, Champlain, are in a better
12 condition than those of Cap de la Madeleine.

13 I understand that your Commission is interest-
14 ed in the coasting trade. Consequently, if there
15 is no wharf, it is very difficult for a vessel to
16 sail or dock or make profitable operations. Thus,
17 it is certainly opportune, in the circumstances, to
18 point out this fact, and I know that you will con-
19 sider it your duty to report to whomsoever it may
20 concern the pitiful condition of the wharves of
21 Cap de la Madeleine and of their development which
22 should be prescribed and which is absolutely neces-
23 sary and essential.

24 We have presently on those wharves which are
25 in bad condition a shed measuring 60 feet by 120
26 which is presently rented by Trois-Rivieres Ship-
27 building, and I think that it is old, because if our
28 wharf on the east side were lengthened by approxi-
29 mately 3,000 feet and if there were a shed of 400
30



1 feet by 75 feet, well already I can assure you that
2 I have a serious tenant, who has money, who under-
3 takes to rent this shed at the price which the
4 National Harbours Board would ask.

5 The present shed has a capacity of approxi-
6 mately 1,500 tons, while an ordinary ship, a Canad-
7 ian ship engaged in the coasting trade may load
8 3,000 tons. There is no crane, nor any equipment
9 capable of effecting the loading or unloading of
10 ships. That is to tell you that I do not think that
11 has been so solely because the Commission, either
12 of the National Harbours or of the coasting trade
13 do not take their responsibilities to heart, but
14 perhaps we have been a bit forgotten. Moreover, it
15 should not be forgotten that if in 1940 the City of
16 Cap de la Madeleine had a population of 11,000 people
17 and 22,000 in 1953, we are entitled to believe that
18 it will be of 30,000 or more in 1960, and all that
19 in addition to a manufacturing output of almost 50
20 million and perhaps even more.

21 Then I have the pleasant duty to submit to
22 you, respectfully, that in the City of Cap de la
23 Madeleine things are done anyway, from the economic
24 standpoint, and that we would be happy - we do not
25 ask you to perform a miracle - but merely to con-
26 sider a bit the needs of Cap de la Madeleine, on
27 the necessity of lengthening the wharf, especially
28 on the east side, because on the west side we are
29 touching the shore of the sanctuary of Notre-Dame
30



1 du Cap, which has become a shrine.

2 We note that the City of Three Rivers is
3 surrounded by water everywhere and it is very diffi-
4 cult to see where to expand. At Cap de la Madeleine
5 there is an oasis, that is the sanctuary, where
6 millions of pilgrims who come each year may enjoy
7 the wonderful St. Lawrence River which we have, and
8 that is why the wharf must be built more on the
9 east side, in the deep water.

10 Actually, the depth of the water is from 25
11 to 35 feet at the wharf; it should be at least 35
12 to 45 feet, if I rely on Mr. Parent's figures, who
13 tells me that St. Maurice Paper Mills are spending
14 a considerable amount of money to heat their factory
15 with oil and that the present facilities are alto-
16 gether inadequate to allow ships, "tankers" in good
17 French, to come and deliver to them approximately
18 90,000 gallons of oil per year.

19 Now, we must note that there is but one
20 crossing, but one bridge only, at Three Rivers. In
21 the event of war, in the event of an accident, if
22 you wish, which is unpredictable, all of the manu-
23 facturing output of the St. Maurice region is
24 absolutely forced to pass by this bridge, whereas
25 if the natural development was made, because I must
26 admit that the wharf of Three Rivers, if I may
27 believe what I am told, that is always favourable
28 to the maintenance of the wharves of Three Rivers,
29 for the coasting trade to develop in the port, and
30



1 the improvement of the wharf of Cap de la Madeleine
2 would be profitable.

3 Then, gentlemen, I call your attention to
4 that fact, because in view of the coming Seaway,
5 we must first see to the existing wharf and to the
6 coasting trade which exists here since centuries,
7 and you may have realized, from the photographs which
8 I showed this morning to the Chairman and to the
9 members of the Board, in what a pitiful condition
10 the wharves of Cap de la Madeleine were, and that
11 in reality we have been completely forgotten.

12 Gentlemen, my comments are limited to those
13 simple remarks. Finally, I thank you for your
14 attention. I do not doubt that you will bring back
15 in your turn to Ottawa a pleasant memory of your
16 stay here and especially, from the practical stand-
17 point, that you will not forget the findings you
18 have made, especially for the communication I must
19 transmit to you to the effect that Cap de la Made-
20 leine has been, I truly think that this is the
21 proper word, certainly been forgotten a bit from
22 the standpoint of its wharf and of its harbour.

23 MR. GERIN-LAJOIE: Q. Mr. Julien, would
24 you like to file the photographs which you have
25 shown the members of the Board this morning?

26 A. I have a copy of our memorandum pre-
27 sented to the National Harbours Commission last
28 March, and I am very pleased to add to this the
29 photographs that you saw this morning.
30



1 MR. GERIN-LAJOIE: Mr. Chairman, we will pro-
2 duce as Exhibit No. 76 a memorandum from the City of
3 Cap de la Madeleine to the National Harbours Board
4 dated March 30, 1955.

5 We will produce as Exhibit No. 77 a pile
6 of nine (9) photographs, showing various aspects of
7 the wharf and of the region of Cap de la Madeleine.

8 MR. ANDRE JULIEN: It gives me pleasure to
9 add, with the permission of the Chairman of the Board,
10 that there are thousands and thousands of tons of
11 merchandise which are shipped to Montreal presently
12 by truck, because the harbours of our region do not
13 offer adequate unloading facilities. It is a dis-
14 advantage first for industry and at the same time
15 that is something which normally should be shipped
16 by our ports. Here, in our harbours at Three Rivers
17 and Cap de la Madeleine, well, we must ship by
18 trucks to distances measuring hundreds of miles,
19 and if there were a development of our ports, accom-
20 modation, no doubt all of the loading of these
21 hundreds of thousands of tons would be shipped from
22 our region, and while I am at it, I would like to
23 recommend and to point out the importance of
24 having a local administration in our ports, either
25 at Three Rivers or at Cap de la Madeleine, which
26 would try to develop them, all the while being under
27 the jurisdiction of the National Harbours Board or
28 of the National Coasting Trade Board. In any
29 undertaking, if we have no salesmen, well the
30



1 competitors organize themselves in such a way that
2 our business is not too strong. Then, if we had a
3 local administration, I do not doubt that the coas-
4 ting trade and the development of our harbours shall
5 be done in little time.

6 Thank you very much.

7 MR. GERIN-LAJOIE: Q. Could you explain
8 for the Board and for the record, what each of the
9 photographs represent? First, I am showing to you
10 the photograph which is marked Exhibit No. 77, and
11 which bears the letter "A".

12 A. That explains the concrete embankment
13 which protects the passengers who go from the sanc-
14 tuary to the wharf, which is the property of the
15 Federal Government and which is in the process of
16 crumbling and which, before long, due to the ice,
17 water and cold, will be absolutely useless to pro-
18 tect the road which goes to the wharf.

19 Q. And now, photograph "B"?

20 A. The same thing. You see the holes,
21 that is work done also by the Federal Government,
22 and that is the protection to the road which goes
23 to the wharf and which is crumbling, you see it
24 from the holes.

25 Q. And photograph "C"?

26 A. The same thing.

27 Q. Photograph "D"?

28 A. Merely the size of the wharves and
29 the relative importance of the shed which is there,
30



1 which the Federal Government will rent, which does
2 not belong to the harbour, but which serves to the
3 repairs of part of the wharf, to a local contractor.

4 Q. Do we see on this photograph on top
5 of the wharf?

6 A. Practically, because there is 15, 20
7 feet, here, that is all.

8 Q. By the way, does the harbour of Cap de
9 la Madeleine serve for commercial purposes?

10 A. Inasmuch as it can be done, only, there
11 is not enough space for a trans-Atlantic vessel.

12 Q. And what does photograph "E" represent?

13 A. This one, the width of the present
14 road. The danger, this is not paved -- the part
15 on the right is the old road which passes through
16 the sanctuary, a paved road of a width of 10 feet
17 approximately, which is all broken down and which
18 is dangerous for the pilgrims and who cannot use it
19 any more. All of that is the property of the Fed-
20 eral Government.

21 Q. All of the photograph is the property
22 of the National Harbours?

23 A. Yes.

24 Q. And photograph "F"?

25 A. The same thing, but showing the road
26 still more clearly.

27 Q. What does photograph "G" represent?

28 A. The deplorable condition of the
29 wharves facing Three Rivers Shipping, the shed
30



1 which is totally inadequate which presently exists.

2 Q. And photograph "H"?

3 A. Shows again what the wharf is, there
4 is no wharf left, and that the rest will crumble in
5 the river.

6 Q. Photograph "I"?

7 A. The condition of the pavement, that is
8 still always the property ...

9 Q. Which road is shown on this photograph?

10 A. Still always the road which goes to
11 the Cap, because that is the road to the sanctuary,
12 but the Federal building ends here, approximately.

13 Q. Is this photograph taken from the wharf,
14 toward the interior?

15 A. Yes.

16 Q. And the property of the National Har-
17 bours ends approximately at the telephone or tele-
18 graph post which we see?

19 A. Yes, and I have even shown the concrete
20 which has been built to protect the road, which is
21 already inadequate.

22 Q. You show at the present time the right
23 side of the photograph?

24 A. Yes.

25

26

27

28

29

30



1 MR. MARCEL BELANGER: It is a pleasure, in
2 the name of my colleagues, to thank all those who
3 have made representations, and you may rest assured,
4 as the Chairman was saying a while ago, that we
5 will give all your recommendations our serious con-
6 sideration, those that are directly under our juris-
7 diction and the others which are not, we will with-
8 out delay, as the Chairman was saying, transmit them
9 to whom they may concern.

10 Our stay in Three Rivers has been most
11 interesting, most instructive, and we wish to thank
12 you most heartily.

13
14 ---The hearing was closed at 3.55 P.M.
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1 (English translation from French - Montreal, Que.,
2 Saturday, October 15, 1955)

3 MR. SIMARD: And here, we proceed with
4 Branch Lines Limited. I am going to ask Mr. Henri
5 Tellier, Director and Manager of Branch Lines Limi-
6 ted, to enter the witness-box first, in order to
7 establish the limits of Branch Lines Limited.

8
9 And the witness,

10 HENRI TELLIER,
11 is interrogated and gives the following evidence:

12 MR. SIMARD: Q. Mr. Tellier, how long have
13 you been employed by Branch Lines Limited?

14 A. For ten (10) years.

15 Q. What position do you occupy with
16 Branch Lines Limited?

17 A. I am Managing Director.

18 Q. Now, will you tell the Commission
19 what Branch Lines Limited consists of?

20 A. Branch Lines Limited consists of tan-
21 ker operations and barges for the transport of
22 lumber.

23 Q. Could you explain what these two opera-
24 tions consist of, these two types of operations, if
25 we might designate them in this way?

26 A. The five tankers which we have are
27 rented to oil companies in the form of charter-
28 parties.

29 Q. I would ask you to deposit a copy of
30



1 a charter-party, as Exhibit 146.

2 A. Yes, sir.

3 MR. SIMARD:

4 (6 lines of English)

5 Q. Now, as for the tankers, in the report
6 which was submitted by Branch Lines Limited, we see
7 a description of these tankers, giving their ton-
8 nage and the members of their crew. Would you ex-
9 plain to us how the Branch Lines Limited tanker
10 system works, with charter-parties?

11 A. This is how it works: At the present
12 time, we rent three of these ships every year to oil
13 companies, such as British American Oil, Imperial
14 Oil, etc. We have paid all the expenses except
15 for Diesel engines and piloting expenses. All other
16 expenses are our responsibility. The companies
17 which rent them send them where they please.

18 Q. Branch Lines Limited has the full res-
19 sponsibility for the boats, together with the crew?
20

21 A. The entire operation of the ships is
22 the responsibility of Branch Lines.

23 Q. And it is the lessees who look after
24 the schedules and control the movement of the
25 boats?

26 A. Yes, sir.

27 Q. Now, do you only have boats which
28 are rented by the year?

29 A. Insofar as the tankers are concerned,
30 they are rented annually.



1 Q. Do we not have boats with long-term
2 charter-parties?

3 A. We have two ships on long-term charter-
4 parties at the present time. One was built in 1950,
5 after obtaining a two-year charter-party, and the
6 other was built in 1951, also after obtaining a long-
7 term charter-party.

8 Q. How many months in the year do these
9 boats operate?

10 A. These boats operate from the opening
11 of navigation, which may vary between April 5th and
12 15th, until the closing of navigation, which varies
13 between December 8th and 12th.

14 Q. Now, those boats are not employed in
15 any manner during the winter months?

16 A. At present, these boats are not em-
17 ployed during the winter, but during the years 1949-
18 50, 1950-51 and 1951-52, we operated three of these
19 ships in the South, that is to say, in Cuba, Vene-
20 zuela, in the American Gulfs, which they call
21 North Hatteras Cape, New York, Boston.

22 Q. Now do you mean to say, when the
23 lessees despatch the boats to one or another sec-
24 tion of the St. Lawrence, if certain changes are
25 required? In other words, can you take a tanker
26 and operate it from Toronto to Montreal, and on
27 the next trip, send the same boat to the Saguenay?

28 A. On the ships which we have, when
29 they are called on to carry out the two types of
30



1 operations, that is, from Montreal to Toronto or
2 from Montreal to the Saguenay, we have crews which
3 are capable of making both trips.

4 Q. Now, normally, when boats operate in
5 one or other of the sections, do you have the same
6 crew, or do you have specialized crews for one type
7 of operation and for the other type of operation?
8 In other words, do those which are in the canals
9 have the same crews as those which navigate in salt
10 water?

11 A. We have two captains who are familiar
12 with both these sides of navigation. We have three
13 others who are more familiar with the side from
14 Montreal on down.

15 Q. Are the operations the same from the
16 standpoint of navigation, from the standpoint of
17 crew, for those who navigate in the canals or in
18 salt water?

19 A. The operations are appreciably similar.
20 Only, the captain does his own piloting in the
21 canals. He knows the route from Montreal to King-
22 ston.

23 Q. Are all the Branch Lines tankers in
24 operation?

25 A. At present, we have one tanker which
26 has not operated for two years.

27 Q. Now, would you like to switch over
28 to the other type of operation carried on by
29 Branch Lines?
30



1 A. At the present time, on the shores of
2 Newfoundland, we transport a quantity of about
3 (??)
4 170,000.00 cords of wood, with five barges which
5 have no engines, and two tugs.

6 Q. Annually?

7 A. Yes, annually, over distances which
8 vary between sixty and 350 miles.

9 Q. Could you produce, as Exhibit 147, a
10 map indicating the various home ports for the Branch
11 Lines Ltd. pulpwood operations?

12 A. Yes.

13 MR. SIMARD:

14 (7 lines of English)

15 (3 lines of English)

16 Q. Now, what is the greatest distance
17 from Corner Brook?

18 A. The farthest distance over which we
19 have transported wood so far is from Travelbrook,
20 which is 447 miles from Corner Brook.

21 Q. How do they go around?

22 A. From above.

23 Q. Could you produce a list of the ports
24 as Exhibit 148?

25 A. Yes.

26 (3 lines of English)

27 MR. SIMARD: In Exhibit 148, we give the
28 Commission our figures showing the various load-
29 ing points for pulpwood. We give the distance
30 in the first column, the distance in one direction.



1 This distance is expressed in nautical miles, and
2 for one direction only. For example, it is 294 miles
3 from Bay of Hope to Corner Brook, and as much as
4 447 miles to Travelbrook.

5 In the second column we give the Commission
6 the rate per cord of wood from these various points
7 to Corner Brook.

8 In the third column, we indicate the number
9 of cords which were transported from the various
10 places in 1949 and in 1950. You have the load for
11 1951, 1952, 1953, 1954, which gives a general idea
12 of the quantities transported from the various
13 points to Corner Brook.

14 MR. SIMARD: Q. Now, these operations, on
15 whose behalf do you transport all that wood?

16 A. The operations are carried out on be-
17 half of Bowater Pulp and Paper Company.

18 Q. Wasn't it Bowater Pulp & Paper Company
19 which submitted a report to this Royal Commission?
20

21 A. Yes, at St. John.

22 Q. Bowater Pulp & Paper is an English
23 Company?

24 A. Yes, it has its Head Office in London,
25 England.

26 Q. How did it happen that Branch Lines
27 undertook maritime transport operations for a com-
28 pany which is from Great Britain?

29 A. Our first contacts with the Bowater
30 company took place in 1946, when we rented them a



1 tug for a period of about three months to transport
2 wood in trains; this is known as Rafting, wood
3 trains; and in 1947 and 1948, we also rented a tug
4 for the same work. We were aware that Bowater had
5 a certain quantity of wood transported from their
6 various loading points to Corner Brook by Lake boats
7 and Lake barges, and as we had seven L.S.T. coming
8 out, which were not yet completed, we thought that
9 these boats might be used to transport that wood,
10 and after discussions and meetings with Bowater,
11 after submission of prices, that Company agreed to
12 give us a contract for five years, which enabled
13 us to convert four barges to put them into this
14 service.

15 Q. Is that the five-year contract there?

16 A. After the first five-year period
17 elapsed, the five-year contract was renewed for a
18 further period of five years, and we are now in the
19 second year of the second contract.

20 Q. Now, have relations been strained with
21 the Bowater company?

22 A. No, relations have always been very
23 friendly, and, as you can see by the renewal of
24 the contract, have been satisfactory to both par-
25 ties from an economic standpoint.

26 Q. Mr. Tellier, certain parties who have
27 made representations before this Commission, have
28 claimed that the navigating season in one section,
29 around Newfoundland, at Anticosti Island, to be
30



1 more specific, only lasted from three and a half to
2 four months per year. Will you tell us what your
3 navigating season is around Newfoundland?

4 A. We generally leave Sorel between the
5 15th and 20th of April, and we deliver at Corner
6 Brook from Bay of Hope where we take on our first
7 load, either at the end of April or the beginning
8 of May, and we continue our operations until the
9 end of November, between the 25th and the 30th
10 of November.

11 Q. You are thus telling us that Branch
12 Lines Limited operates boats in the various ports
13 of Newfoundland right up to the month of November?

14 A. Yes, until the end of November.

15 Q. And are there any unusual risks to
16 be taken in such operations?

17 A. No. All the more so, because I be-
18 lieve that the Bowater company ships paper from
19 Corner Brook during the months of November, December,
20 January and even February, because some winters
21 Island Bay, which gives access to Corner Brook,
22 does not freeze over.

23 Q. Now, are those barges used exclusive-
24 ly for the shipment of pulpwood?

25 A. No, not exclusively for the shipment
26 of pulpwood, but let us say, mainly for the trans-
27 portation of pulpwood. We have already trans-
28 ported machinery to Sept-Iles; we have already trans-
29 ported loads for Hydro-Quebec to Three Rivers; we
30



1 have already transported railway track intended for
2 Sept-Iles.

3 Q. But the operation of those barges, the
4 operating rate is calculated for a season of navi-
5 gation?

6 A. Yes, naturally.

7 Q. It would perhaps be of interest if
8 you were to give the Commission the details of the
9 operating costs. You wouldn't by any chance have
10 this information?

11 A. I do not have it here.

12 Q. Would you have any objection to pro-
13 ducing the details of your division of the costs of
14 operating to the Commission, later on?

15 A. Daily operating cost, for the barges
16 and the tugs?

17 Q. Yes. Then, these are the two opera-
18 tions carried on by Branch Lines Limited. On the
19 one hand, you have the tankers, and on the other,
20 you have tugs which tow barges?

21 A. Yes.

22 Q. Those are the two operations of Branch
23 Lines Limited?

24 A. Yes.

25 Q. How many employees are employed by
26 the Branch Lines Limited company?

27 A. We have 170 employees.

28 Q. What might that represent in annual
29 salary?
30



1 A. As is mentioned in the report, this
2 represents \$450,000.00 per year in salary.

3 Q. Does the company have other expendi-
4 tures, apart from that?

5 A. Well, we pointed out in the report as
6 well that expenditures for lodging and food amounted
7 to \$100,000.00, and that repairs, on the average,
8 amount to three hundred and fifty thousand dollars
9 (\$350,000.00). It would perhaps also be in order
10 to add that, in the last eight years, Branch Lines
11 has spent more than three million dollars in new
12 building operations and renovation of barges.

13 Q. Branch Lines Limited has spent three
14 million dollars?

15 A. For the building and renovation of
16 barges, construction of two tankers and the renova-
17 tion of six barges, and also the conversion of a
18 tug.

19 MR. GERIN-LAJOIE: Q. Mr. Tellier, first I
20 would like to ask you some questions with respect
21 to the operation of the barges and your transport
22 operations in wood around the Island of Newfound-
23 land. You have indicated the length of your season.
24 Does this season which lasts until the end of Nov-
25 ember, apply all around the Island of Newfoundland?

26 A. From the standpoint of navigation, or
27 that of loading? I believe that from the naviga-
28 tional point of view, you can navigate until the
29 end of November. However, in certain places it may
30



1 be impossible for them to load the wood because the
2 wood may be frozen in a bay which may freeze over
3 earlier than that date, and they may have diffi-
4 culty in loading the barges, but as far as naviga-
5 tion is concerned, you can navigate until the end
6 of November.

7 Q. Now, certain companies have claimed
8 that the sea was too high and dangerous to allow
9 barges with rather heavy loads of wood to navigate
10 in complete safety. What have you to say to this
11 objection?

12 A. Our experience has proven that we
13 can navigate in perfect safety until the end of
14 November.

15 Q. Is the height of the load of wood like-
16 ly to vary from one part of the season to another?

17 A. I do not believe that the height may
18 vary very much.

19 Q. Do you always take the same quantity
20 of wood on your barges?

21 A. Yes, about 1950 cords.

22 Q. Now, to your knowledge, does the Bo-
23 water company have contracts for the shipment of
24 pulpwood with companies other than your own?

25 A. Around the Island of Newfoundland?

26 Q. Yes.

27 A. Not to my knowledge.

28 Q. Is there any pulpwood shipped other
29 than by your barges?
30



1 A. For them?

2 Q. For them or for anyone at all.

3 A. There is some wood shipped from New-
4 foundland to England.

5 Q. No. I mean pulpwood which is trans-
6 ported at the Bowater company.

7 A. There is some shipped by rail, by
8 trucks.

9 Q. On the island of Newfoundland?

10 A. Yes.

11 Q. Is part of it transported by the
12 Rafting method?

13 A. Towards Corner Brook?

14 Q. Or to another point in Newfoundland?

15 A. If there is any, there is very little
16 now, because they have abandoned that method of
17 transport as it was more expensive for them, in view
18 of the amount of wood they might lose during ship-
19 ment.

20 Q. Now, to the best of your knowledge,
21 is the pulpwood which is transported to the Bowater
22 mill, that is to say, that part which is shipped
23 by water, exclusively transported by your company,
24 Branch Lines Limited?

25 A. I believe that we have carried the
26 entire amount which was shipped by sea.

27 Q. Can you tell us if, to your know-
28 ledge, there were any other navigation companies
29 in competition with you to obtain the contract?
30



1 A. There was another company which was
2 engaged in this transport, which had a part of this
3 shipping before we submitted a proposal.

4 Q. Was this transport carried out by bar-
5 ges, or by another means?

6 A. It was carried out by Lake boats.

7 Q. Do you know the name of the company
8 which carried out this transport?

9 A. No, I am not certain.

10 Q. Could you submit this to us in writing?
11 Are you informed on this point? Do you have it in
12 your files?

13 A. No; I do not know what company supplied
14 this transportation before us, but I can ask Howater.

15 Q. This contract began in 1947?

16 A. The contract was signed in 1947 and
17 we started in 1949.

18 Q. And prior to that, another Canadian
19 company did this shipping by boat, that is, by a
20 floating craft moving under its own power, and not
21 drawn by a tug?

22 A. No, there was also a certain amount
23 which was transported by wood trains.

24 Q. Now do you foresee any possible com-
25 petition for work like this from ships built or
26 registered in England? First, let us take ships
27 built in England. Do you think barges may be built
28 in England and cross the Atlantic?

29 A. Yes, barges might be built in
30



1
2 England.

3 Q. There would be the problem of having
4 them cross the Atlantic?

5 A. No; it is ships that we tow. The
6 barges are of such a height and length that they
7 may easily be transported from England to Newfound-
8 land. I have a photograph here which may give you
9 an idea of the size of these barges.

10 Q. Do you agree to produce this photo-
11 graph, which shows a tug towing a barge belonging
12 to Branch Lines Limited, as Exhibit 149?

13
14 ---EXHIBIT 149: Photograph of a tug pulling a
Branch Lines Limited barge.

15 Q. Now, I notice that this barge is not
16 the same type as those which we have seen in cer-
17 tain maritime shipyards, that is, rectangular.
18 If I am correct, the barge in the photograph is
19 pointed and tapering in front, and square at the
20 back?

21 A. Yes, this is the hull which was built
22 during the war, and which is called L.S.T.

23 Q. Are your four barges all the same
24 length?

25 A. They are identical.

26 Q. What is their overall length?

27 A. 345 feet in length and 56 feet wide.

28 Q. What is their draught when fully
29 loaded?

30 A. About eighteen and a half feet. Do



1 you mean the average draught or the draught at
2 the stern?

3 Q. The maximum draught.

4 A. At the stern, eighteen and a half feet.

5 Q. Now, to your knowledge, have any bar-
6 ges like those been transported to Europe?

7 A. When these ships were built for Nation-
8 al Defence, they left Sorel and went to Europe.
9 Originally, they were real ships with an engine
10 and they were used during the war. Now we operate
11 them without engines, as barges.

12 Q. And these barges, with their original
13 engine, crossed the Atlantic?

14 A. Certainly.

15 Q. Under their own steam?

16 A. Yes, under their own steam.

17 Q. Now, I think I understand that these
18 ships and barges are registered in Canada?

19 A. Yes, all our ships are registered in
20 Canada.

21 Q. To your knowledge, are any operations
22 comparable to yours carried on by ships which are
23 registered in England, carried on in Canada by
24 ships which are registered in England? I mean
25 in the East, not on the Pacific Coast?

26 A. Transportation of wood? No, not
27 to my knowledge.

28 Q. Transportation of something else?

29 A. Coal is transported from Sydney to
30



1 Montreal by ships which are registered in England,
2 but I do not think that transportation of wood or
3 oil products is done on a very large scale by boats
4 which are registered in England.

5 Q. Now, the boats to which you are refer-
6 ring are ships travelling under their own steam,
7 and not barges drawn by tugs?

8 A. No.

9 Q. Insofar as your tankers are concerned,
10 can you tell us what ports these five tankers
11 which you have travel between?

12 A. This year?

13 Q. Yes.

14 A. The direction the tankers travel and
15 the number of ports where they call may vary, but
16 this year we have three whose loading port is Mont-
17 real and which deliver their products in the East,
18 that is, at Chicoutimi, Rimouski, Sept-Iles, Ste-
19 Anne-des-Monts, St. John's, Newfoundland, Halifax
20 and St. John, New Brunswick.

21 Q. Is one of the features of these
22 tank-vessels, as compared to those which navigate
23 in the Great Lakes and on the Atlantic, that they
24 can enter small harbours?

25 A. Yes. Of the five tankers which we
26 have, two have an average draught of sixteen and
27 a half feet, and the three others, of eighteen
28 and a half feet, and they can therefore operate
29 above and below Montreal.
30



1 Q. Now, in order to operate above Mont-
2 real, they should not be operated with a full load?

3 A. Not from Montreal to Toronto, but once
4 they get into the Lakes, they can operate with a
5 full load.

6 Q. Were your tankers engaged in these
7 operations in the past?

8 A. Yes, we have one which works on the
9 route from Toledo to Houston, transporting crude oil.

10 Q. You said that you have one tanker
11 which is not in operation at the present time?

12 A. Yes, it is a tanker capable of trans-
13 porting about 18,000 barrels.

14 Q. Why is it not working at present?

15 A. There is not a very great demand for
16 tankers.

17 Q. Are there tankers of companies other
18 than your own in service in the St. Lawrence River?

19 A. Yes, each oil company, that is to say,
20 the four main ones which have refineries at Mont-
21 real, operate their own ships.

22 Q. Do these oil companies operate ships
23 which they do not own, aside from those which are
24 rented from your company? In short, do the oil
25 companies rent from companies other than yours?

26 A. Yes, there are other companies aside
27 from ours.

28 Q. Can you name them?

29 A. Lakeland Tankers.
30



1 Q. Is that a company which operates
2 Canadian ships?

3 A. Yes.

4 Q. To your knowledge, are there any
5 ships which are registered in Great Britain and
6 which supply a service comparable to your own on
7 the St. Lawrence River and the points served by the
8 St. Lawrence River?

9 A. Not to my knowledge.

10 Q. Have any tankers crossed the ocean?

11 A. They have already done so, but they are
12 not built to cross the ocean.

13 Q. Can you tell us on what occasion?

14 A. Yes, at the end of the war, these tan-
15 kers were loaned to the French Government for a
16 year and they were used for transporting wine, from
17 either Morocco or Algeria to France.

18 Q. Was the service satisfactory?

19 A. They navigated normally in the Mediter-
20 ranean, but they did not cross the Atlantic.

21 Q. Will you tell the Commission why your
22 contract was not renewed?

23 A. It was an emergency measure on the
24 part of France, which needed tankers. This service
25 was usually provided by French boats.

26 Q. Now, you said that a certain number
27 of your tankers, two or three, did business or
28 operated in the Atlantic ocean, between Cuba and
29 Vanezuela and the United States, for one or two
30



1 seasons?

2 A. Three seasons. We operated in 1949-50,
3 1950-51, 1951-52.

4 Q. You do not operate any more?

5 A. No.

6 Q. For what reason?

7 A. Because present rates do not allow us
8 to meet our expenses.

9 Q. To what company did you lease for these
10 winter operations?

11 A. As far as I can remember, the two
12 main companies were South Western Molasses and Ameri-
13 can Molasses.

14 Q. It was for the shipment of molasses?

15 A. Yes, mainly from Cuba to New Orleans
16 and Houston.

17 Q. Under what circumstances did you lose
18 that contract?

19 A. Transportation of molasses is season-
20 al and is normally done from the end of December
21 to March, and this trade is granted every year by
22 tender.

23 Q. Who obtained the contract in your
24 place the year after you operated for the last
25 time?

26 A. I was told that it was boats built
27 in Japan, but I do not know.

28 Q. To your knowledge, is there any
29 maritime shipping to be obtained on the Atlantic
30



1 during the winter season alone when rates are
2 favourable?

3 A. Yes, because during the winter season,
4 in general, the rates are better.

5 Q. What do you mean by "better"? Higher
6 or lower?

7 A. Higher. Better from the standpoint
8 of the operator, and they are higher because there
9 are more movements to be made.

10 Q. You mean there are more movements on
11 the Atlantic during the winter than during the
12 summer?

13 A. Yes.

14 Q. Can you tell us why, briefly?

15 A. Perhaps that molasses, which is usual-
16 ly shipped during three winter months, has a little
17 to do with it. Then, there is heating during the
18 winter.

19 Q. Before you go on, do you know why
20 molasses is only shipped during the winter?

21 A. That is because it is right after the
22 harvest, and storage facilities are limited in
23 Cuba.

24 Q. According to your experience, there
25 are quite good possibilities for work on the At-
26 lantic during the winter for ships which operate
27 on the St. Lawrence River during the summer?

28 A. Definitely, there are possibilities.

29 Q. And to your knowledge, the only
30



1 difficulties encountered by your company in obtaining
2 contracts boiled down to problems of rates?

3 A. Yes, absolutely.

4 Q. One last question, then: The number
5 of employees which you mentioned for your company,
6 170, does this include not only the crew aboard
7 the boats, but also the administrative staff?

8 A. Only the staff on the boats.

9 Q. Is there a numerous administrative
10 staff?

11 MR. SIMARD: The administrative services of
12 Branch Lined Limited are entrusted to another com-
13 pany, Marine Industries, which charges a percentage
14 of their administration costs for looking after
15 their administration. There are no employees ex-
16 clusively employed by Branch Lines Limited. A very
17 moderate rate is charged to Branch Lines Limited
18 for having its administration looked after.

19 MR. GERIN-LAJOIE: Q. Now, a general ques-
20 tion which might conclude this interrogation. I
21 wonder to what extent your company would be helped
22 by the restriction of coastal trade to ships built
23 and registered in Canada?

24 A. Well, perhaps at present we are not
25 affected very much by the competition of English
26 ships, but with the development of the St. Lawrence,
27 there is no doubt that English shipowners will
28 have still another reason for becoming interested
29 in Canadian trade, and again, we are a young
30



1 company, and we hope to expand along with the country,
2 and we believe that English competition might pre-
3 vent all expansion.

4 Q. You have two quite different cases.
5 Let us consider first your transport of pulpwood
6 around the Island of Newfoundland. I wonder what
7 expansion you would be able to achieve as a result
8 of the proposed restriction, if there is no company
9 in this field which has ships registered in England?

10 MR. SIMARD: Exactly. The operations of
11 Branch Lines at the present time are rather restric-
12 ted, if we might express it that way, but we wish
13 to prove by that that the company, as it had a long-
14 term contract, this gave it a reason to outfit it-
15 self and organize to carry out such an operation.
16 Now, if our coastal trade were restricted in Canada,
17 a great deal of transportation which is done at
18 present, and merchandise which is at present trans-
19 ported in foreign ships, would open up fields of
20 action for a company like Branch Lines Limited.

21 MR. GERIN-LAJOIE: Q. Can you give some
22 examples?

23 MR. SIMARD: Quebec Iron, which ships iron
24 ore from Havre-St-Pierre to Sorel in English ships.
25 If there were a restriction like this, they would
26 of necessity have to be Canadian ships. We have
27 been shown that Newfoundland could have an influ-
28 ence, from the transport standpoint, because of
29 its importing and exporting. The transportation
30



1 of titanium from Newfoundland to Arvida is an opera-
2 tion which Branch Lines would anticipate and see
3 about developing. As for operations of Anticosti
4 Island, all the operations of the Atlantic coast,
5 if there were a certain amount of restriction, we
6 would be motivated, and the Canadian industry would
7 be motivated, to outfit and have the necessary ships,
8 for there would be a potential trade which would
9 give a certain sense of security, to the point
10 where you would not be investing capital to get
11 equipment, and then having someone come along and
12 undercut you ten percent and ruin your entire or-
13 ganization.

14 MR. GERIN-LAJOIE: Does the success you have
15 had in obtaining contracts around Newfoundland, and
16 these contracts for the transport of oil, not prove
17 to you that you are able, as a Canadian company,
18 with ships built and registered in Canada, to obtain
19 contracts despite the competition of ships built and
20 registered in England?

21 MR. SIMARD: In the past, for the tankers,
22 I would say yes, because of the advantage we had
23 for the narrow canals, and it was necessary to
24 build ships which would just go through those canals;
25 but with the development of the St. Lawrence, which
26 is going to widen the canals, foreign ships are
27 prepared to come and engage in coasting trade in
28 our waters.

29 MR. GERIN-LAJOIE: Q. Would I be realis-
30



1 tic in saying that Canadian ships have not as much
2 to fear from the competition of British ships for
3 the transport which you carry out, that is, transport
4 in small and average-sized ports, and that it is
5 only in the big ports that this competition would
6 be serious for Canadian ships?

7 M. TELLIER: A: No. I consider that even
8 in the small ports -- take the example of Bowater.
9 Do you think that a company like Branch Lines Limi-
10 ted would have organized a similar system without
11 first having a long-term contract, which is the
12 equivalent of a restriction?

13 Q. That is not quite the point which I
14 have in mind. I wonder whether a company with
15 British ships, could really offer you serious com-
16 petition on that point, for that type of transport,
17 between small ports or average-sized ports?

18 A. Certainly. All they have to do is
19 build equipment just about like that equipment
20 which is there. And I would even add that the Bo-
21 water company had some barges like that built in
22 England this year, for certain other operations.

23 Q. For what type of operations?

24 A. The barges which they had built are
25 used to carry the mechanical cranes used for
26 loading wood.

27 Q. Are these barges comparable to
28 yours?

29 A. They are comparable to those which
30



1 were built for them, but they are not like ours.

2 Q. You say that they are like those which
3 you already built for them?

4 A. Comparable to those which Marine Indus-
5 tries has already built for them.

6 Q. Has Marine Industries already built
7 barges for Bowater?

8 MR. SIMARD: Yes.

9 Q. And to your knowledge, Bowater is at
10 present having nearly similar barges built in
11 England?

12 M. TELLIER: Yes.

13 Q. Did Marine Industries ask for tenders
14 for this type of barge, or wasn't it done by a re-
15 quest for tenders on the part of Bowater?

16 MR. SIMARD: Some requests were made, but
17 not in an official manner.

18 Q. Do you know with some degree of cer-
19 tainty the difference between the price which Bowater
20 is going to pay in Great Britain, and what they
21 would have paid to Marine Industries?

22 M. TELLIER: A: I do not have the figures,
23 but I know that there is at least an appreciable
24 difference.

25 Q. Are these steel barges?

26 A. Yes.

27 Q. And could the operations carried out
28 by these barges not have been carried out by the
29 barges of Branch Lines?
30



1 A. No, the two barges are completely dif-
2 ferent.

3 COMMISSIONER BELANGER: Q. A while back, you
4 were talking about navigation around the Island of
5 Newfoundland and you compared that navigation with
6 that which might be done in the approaches to Anti-
7 costi Island. Are the seas rougher in the approach-
8 es to Anticosti Island or, in short, are the means
9 of approaching the ports more difficult than around
10 Newfoundland?

11 A. We do not operate around Anticosti
12 Island. I am unable to discuss the approaches to
13 the ports there, but as for the waters, when we re-
14 turn from Newfoundland at the end of November, we
15 pass close to Anticosti.

16 Q. And you do not have any more difficulty
17 in passing near Anticosti?

18 A. To my knowledge, we do not have any
19 more difficulty.

20 THE CHAIRMAN: Thank you very much.

21 MR. SIMARD: Now, I would like to say this:
22 that we wish to endorse, without any reservations,
23 the arguments stated before your Commission in
24 favour of the restriction of the Canadian Coasting
25 Trade to those ships which are built and register-
26 ed in Canada exclusively, and we believe that such
27 a restriction is a prerogative; it is one of our
28 existing rights. In the past, we have granted
29 privileges which were without any consequence,
30



1 whether those who had them took little or no advan-
2 tage of them, but we have reached a point where
3 Canada, with its expansion and with its economy,
4 has reached the stage where we feel we are capable
5 and where we believe that it is up to us to exercise
6 this right and this prerogative of ours, and that,
7 by allowing the privileges which were granted in
8 the past to remain, it may work to the detriment of
9 our economy.

10 That is why we want the Canada Shipping Act
11 amended for this purpose; and that is why Branch
12 Lines Limited has presented a report in support of
13 this change to our present law, as, moreover, the
14 other countries are doing: the United States,
15 France, Japan itself, and now we even see some of
16 our brothers in the British Empire, such as Aust-
17 ralia and New Zealand, who also have a restriction,
18 in accordance with certain clauses which suit
19 their needs.

20 Maritime transport is a vital matter for
21 Canada. Canada is surrounded by water on the east
22 and west; a great inner sea and a large river
23 cover the country, and our sea transport is an in-
24 tegral part of our economic and industrial organi-
25 sation; this is why we should see that we are
26 self-sufficient in order that we may serve the
27 various areas of our country, without being at the
28 mercy of, or dependent on, any foreign country
29 whatsoever. We consider sea transport in the
30



1 same way as we do rail transport and air transport.
2 Can anyone conceive of us laying track in Canada
3 and then, perhaps as an economy measure, asking
4 another country, either England, France or another,
5 to come with a staff and operate on our track, be-
6 cause it would be more economical? And saying
7 that we grant them this privilege from Halifax to
8 Vancouver? Perhaps in this way we might save a
9 couple of cents a ton in shipping charges?

10 Canada has a system of commercial aviation to
11 serve the country, and even if certain expenses were
12 incurred at the time the system was installed, this
13 aerial development has certainly helped our Canadian
14 expansion a great deal, opened up regions of our
15 country which I believe would have remained unex-
16 plored, because others would have followed more econ-
17 omical routes, would only have opened up the most
18 profitable routes. Why would they have gone and
19 provided service in Abitibi, in the Saguenay? They
20 would have followed the large channels of communi-
21 cation, and would have left it at that.

22 No, Canada wanted a complete air service.
23 Canada has a complete maritime service. This mari-
24 time service must be maintained and kept at all
25 costs. Canada is capable of doing it. At the
26 present time, by building canals in the St. Law-
27 rence, Canada is enlarging its framework, and allow-
28 ing bigger ships to go from the head of the Lakes
29 to the Atlantic. We are asking that all the
30



1 little relay stations which are in our country
2 remain ours, and that the population of Canada be
3 served by ships built and registered in Canada.
4

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5
6
7
8 On interrogation, the witness,

9 FERNAND PAULHUS,

10 gives the following testimony:
11

12 MR. SIMARD: Q. Mr. Paulhus, your work at
13 Marine Industries leads you to make calculations
14 and tables, to compile the necessary information
15 on costs, by the hour and in dollars, of the various
16 construction projects which Marine Industries has
17 undertaken or is now undertaking?

18 A. Yes, sir.

19 (5 lines of English)

20 Q. If you will, Mr. Paulhus, we shall
21 look over together these various tables which
22 were prepared in the light of present-day costs,
23 on the operations of Marine Industries in the past.
24 Thus, we have the first table, which is a graph
25 showing the number of employees at Marine Indus-
26 tries before the war, during the war and after the
27 war, divided into three parts. Then, on graph
28 "A", you have the line which indicates the aver-
29 ages for each year. Now there, those are the
30 averages which were taken -- does each point



1 indicate the year?

2 A. No, each of the points indicates the
3 average during that year. Now, if you will notice,
4 in 1947 there was an average of 6063 with a high of
5 6678. We also see that during the war, our average
6 during the years 1944 to 1946 was 4130 men, and
7 that in the post-war period, from 1945 to date, we
8 had a high of about 3000 and the average is about
9 2185, and we have now gone down, in 1955, to date,
10 to 1800.

11 Q. Now, when you give those numbers of
12 men, the 1800, let us say, or the average of 2185,
13 does that include only the specialist workers, or
14 does it include only the hourly-paid employees,
15 or does it include the entire staff of Marine In-
16 dustries?

17 A. That includes the entire personnel of
18 Marine Industries for maritime construction.

19 Q. The hourly-paid employees, superinten-
20 dents, draughtsmen, etc.?

21 A. Yes.

22 MR. SIMARD: In the second table, this is
23 the distribution of workers by occupation, during
24 the construction of a ship. This is graph "B".
25 When this Royal Commission was sitting in other
26 places, the question was asked as to the number
27 of employees who take part in the construction of
28 a ship, and Mr. Lowery, at Quebec, gave an average
29 figure for the number of employees required for
30



1 the building of a ship. So many employees for so
2 many months to build a ship of such and such a
3 tonnage. We had this graph prepared in order to
4 show this Commission the various trades, and I would
5 ask Mr. Paulhus to be kind enough to explain the
6 graph and its meaning.

7 M. PAULHUS: A. First, we based this graph
8 on the construction of a boat which would require
9 about a million hours to complete, over a period of
10 about thirteen months. At the left, we have listed
11 the various trades which enter into the construction
12 of the boat, and also, indirectly, the maximum num-
13 ber of men we require during that period, about
14 1168, and they are members of different trades.

15 Q. Would that ship be for Defence or
16 commercial purposes?

17 A. This might apply equally to a com-
18 mercial ship and to a Defence ship. Now, on a De-
19 fence ship, there might be some categories of
20 trades which would be used more than they would on
21 a commercial ship.

22 MR. GERIN-LAJOIE: Q. Isn't there a con-
23 siderable difference in the number of electricians
24 employed on a warship and on a commercial vessel?

25 A. Yes.

26 Q. A difference of what order? Of one
27 hundred percent?

28 A. Yes, I would say that at least twice
29 as many electricians are required to build a ship
30



1 for the Navy.

2 MR. SIMARD: Q. And for a commercial vessel?

3 A. It all depends on whether it is built
4 with Diesel or Remote Control, or whether you are
5 making a steam boat or an ordinary Diesel; and even
6 if you compare a commercial boat equipped with a
7 steam engine, the comparison with a Navy boat would
8 be one to three. Three times as many electricians
9 would be employed in that case. Here, on the graph,
10 we have indicated the average number of men who
11 would be employed, which is 430, and the total num-
12 ber of different trades which we need for the con-
13 struction, which is 1168, that is, 250 percent more
14 than the average number of men who will be employed.

15 Q. If my understanding is correct, there
16 are three figures: first, there is an average
17 number of men employed during the period, 430 men?

18 A. Yes.

19 Q. You have a maximum number of men em-
20 ployed at a given time, that is at the beginning:
21 730?

22 A. Yes.

23 Q. And, taking in other trades which
24 you require at various intervals, you need a total
25 of 1168?

26 A. Yes.

27 COMMISSIONER BELANGER: Q. In other words,
28 you require 1168 men to maintain an average of
29 430?
30



1 A. Yes, sir.

2 Q. Because of the diversity of the differ-
3 ent trades and due to the fact that they cannot all
4 be employed at the same time?

5 A. That is correct.

6 MR. SIMARD: And today, because of the fact
7 that, because of the Union and those matters, these
8 men are classified. Before, you could get a man
9 who worked at two or three trades, or a Jack-of-
10 all-trades. And now, in the shipbuilding trade,
11 Jacks-of-all-trades have no place.

12 MR. GERIN-LAJOIE: Q. Is this an inter-
13 mediate figure between a warship and a commercial
14 vessel?

15 A. Yes.

16 Q. I wonder if these are actual figures
17 on things which have been built, or an average be-
18 tween a warship and a commercial vessel?

19 A. It is an average of the two.

20 MR. SIMARD: In the one case you would have
21 to increase and in the other case, reduce.

22 MR. GERIN-LAJOIE: I believe that it would
23 be helpful to have a table showing concrete figures
24 for a warship and for a commercial vessel, or the
25 two superimposed.

26 M. PAULHUS: It is possible to do that.

27 MR. SIMARD: Q. Do you think that if a
28 company like Marine Industries were to undertake
29 mass production of ships, that there would be a
30



1 saving for the client in having several ships built,
2 or for several clients who required similar ships?
3 Do you think there would be an appreciable saving?

4 A. Yes, I believe that there would be a
5 considerable saving, and for that purpose, we have
6 prepared three graphs based on the case of boats
7 built a few years ago in France. The first graph
8 "C", was based on the construction of fifteen trawl-
9 ers or fishing boats, for France. The first graph
10 indicates the reduction in the number of hours re-
11 quired when you build one, five, ten or fifteen
12 boats at the same time. The reduction in labour is
13 caused by the repetition of work. The people become
14 more accustomed to their work; it becomes second
15 nature to them. Then there is a reduction in the
16 matter of designs and blueprints. Naturally, you
17 only make one series of designs and blueprints, and
18 they are used on all five boats, and their cost is
19 divided in five parts and attributed to each of the
20 boats.

21 Now, the second graph also shows us the
22 general and administrative expenses, which are
23 also reduced to quite a large extent.

24 Q. Now, if we look at the first graph,
25 it is for the first five ships that the reduction
26 is the most noticeable?

27 A. Yes.

28 Q. And from five to ten, the curve rises
29 in proportion?
30



1 A. Yes.

2 Q. But it is for the first few boats that
3 there is a considerable saving?

4 A. Exactly.

5 Q. Then, you show here that if you have
6 a boat such as this one, a trawler, that the first
7 boat costs you \$500,000, the second costs you
8 \$450,000, and the third costs \$400,000, and the
9 fifth costs \$350,000?

10 A. Exactly, if you assume that the first
11 one costs \$500,000.

12 Q. Now, you have prepared the same graph
13 for the construction of a ship weighing 2600 tons,
14 which is a commercial vessel?

15 A. Yes, these are commercial vessels about
16 300 feet in length, powered by Diesel engines,
17 which we constructed for France in 1948-49. This is
18 graph "D". It is much the same thing as the others,
19 but is based on another type of boat. In this case,
20 we had six boats to build, all of the same model,
21 and then, in assuming a total price of \$2,700,000
22 for the first one, there was a saving of \$190,000
23 for the second, \$340,000 for the third, and so on
24 up to the sixth, where the price of the boat is
25 \$2,300,000.

26 Q. A saving of \$570,000 on a two-million
27 dollar boat?

28 A. Precisely.

29 Q. Now, graph "E", which is based on
30



1 the experience of 10,000 ton boats built during the
2 last war, with the figures expressed in terms of
3 the present rates. Will you tell us how you went
4 about it, as the figures given here are not the
5 cost of these ships at the time when they were built.
6 Will you tell the Commission how you proceeded,
7 while following the present rates, in order to
8 arrive at a price which would be up to date?
9

10 A. In this case, we took as a base the
11 number of hours which were taken for the construction
12 of these boats, and we made the correction for the
13 salary rates: the salary rate of that time was 80
14 cents an hour, and today it is about \$1.45. As for
15 the part concerning materials, our approximate basis
16 was the costs which have been prepared for perhaps
17 two or three years for somewhat similar boats, to
18 establish the cost of the materials which would go
19 into the construction of those boats; thus, this
20 price of \$3,200,000 is, of necessity, more an indi-
21 cation than an exact price for one of those boats
22 today. Here again, we show you that savings can
23 be made by building from one to ten boats, and
24 that this saving is almost \$800,000 on the tenth
25 boat.
26
27
28
29
30



1 COMMISSIONER BELANGER:

2 On behalf of my colleagues, I am
3 pleased to thank all those who have been kind enough
4 to present reports to the Commission, and tackle
5 the questions asked by our lawyers and the Commis-
6 sioners.

7 Rest assured that we shall give serious con-
8 sideration to everything which has been given to us,
9 and that we shall do our utmost to digest what has
10 been said, and not only that, but to render a wise
11 decision.

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